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ABSTRACT

In this congressional oversight hearing on the administration of the Job Corps Program, focus is on the success of the Job Corps as well as on areas for program improvement. Testimony includes statements and letters and other material submitted for the record by Representatives in Congress and individuals representing the: RCA Service Company; Employment and Training Administration, United States Department of Labor; Job Corps; Teledyne Economic Development Company; American Federation of Government Employees; and Singer Company. (YLB)

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ADMINISTRATION OF THE JOB CORPS PROGRAM BY THE EMPLOYMENT AND TRAINING ADMINISTRATION OF THE DEPARTMENT OF LABOR

ED252685

HEARING

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON GOVERNMENT OPERATIONS HOUSE OF REPRESENTATIVES

NINETY-EIGHTH CONGRESS

SECOND SESSION

SEPTEMBER 26, 1984

Printed for the use of the Committee on Government Operations

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ADMINISTRATION OF THE JOB CORPS PROGRAM BY THE EMPLOYMENT AND TRAINING ADMINISTRATION OF THE DEPARTMENT OF LABOR

WEDNESDAY, SEPTEMBER 26, 1984

HOUSE OF REPRESENTATIVES,
MANPOWER AND HOUSING SUBCOMMITTEE
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:40 a.m., in room 2247, Rayburn House Office Building, Hon. Barney Frank (chairman of the subcommittee) presiding.

Present: Representatives Barney Frank, John M. Spratt, Jr., and John R. McKernan, Jr.

Also present: Stuart Weisberg, staff director; Bill Zavarello, staff investigator; June Saxton, clerk; and Nan Elwood, minority professional staff, Committee on Government Operations.

OPENING STATEMENT OF CHAIRMAN FRANK

Mr. FRANK. The Subcommittee on Manpower and Housing of the Committee on Government Operations will come to order.

I apologize for being late. The immigration conference is dragging on and out, and that has impinged a little bit on my schedule. That should not be your problem, so I apologize for this delay. I was hit with one last importune on the way in here, which took me a couple of extra minutes.

This is a hearing which was called at the suggestion of our colleague, Mr. Spratt of South Carolina about the Job Corps.

I just want to say a couple of things at the outset. First, this is essentially the kind of a hearing that I will confess I think I have been guilty as Chair of not having enough of. It is fundamentally a hearing about a success. There is a natural tendency on oversight committees to function primarily with regard to areas where there are shortfalls. One of our jobs is to see where things are not going well and try and make corrections.

Inadvertently, I think, we may, collectively, in that regard, contribute unduly to the notion that government always makes mistakes and doesn't have successes because the inevitable tendency is to take the successes for granted and to focus on the problems with the hope either of correcting them or, in candor, from time to time embarrassing those who are guilty of them. And, those motives do blend, as we know.

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In this situation, while the subcommittee does have some questions about the program and there are some areas where we think there can be some improvements and where we have some concerns, we are fundamentally talking about what seems to me a success story. A government funded program with government administration and private sector cooperation working with a very difficult problem trying to make employment opportunities real for a segment of the population that would otherwise have problems reaching them.

I just want to make explicit that that is part of what we are doing here today. We are, I think, going to be suggesting some areas where we think there can be some improvements and where we have some concerns, but it is within the context of a program that we think has been very successful, that has confounded skeptics, and that many of us have a commitment to seeing go forward. And, I believe that the success of this program shows that some of those who denigrate the ability of this society to respond collectively through government to important social and economic problems overstate by a considerable amount the negativism of that case.

Mr. McKernan, the gentleman from Maine?

Mr. MCKERNAN. Thank you, Mr. Chairman.

I just want to join with you in saying that I am pleased that we are having these oversight hearings because I, for one, do believe the Job Corps has been a success. It has been, really, the best chance for many of our disadvantaged youths.

Coming from the State of Maine, I know the success that we have had over the last 15 years that I can remember—actually maybe it is closer to the full 20 years that the Job Corps has been in existence. But it is a program that all of us support. We have seen some changes in the Job Corps Program over the last few years, and I think what this hearing is all about is really to congratulate the Job Corps on 20 good years of service and say how can we improve it in the future. As the chairman said, after all, that is one of the functions of an oversight committee—to try to find ways to improve on all programs. Some need more improvement than others, but even a program that has been as successful as the Job Corps, I think, is one for which we can continue to look for better ways to serve those in need in the late 1980's and 1990's.

Thank you, Mr. Chairman.

Mr. FRANK. Thank you.

With that, we will proceed with our first panel of witnesses.

We have Mr. Al Androlewicz, division vice president for Job Corps Programs, RCA Service Co.; Mr. John Gaines, president, Teledyne Economic Development Co.; and Herb Watkins, the Singer Company Career Systems.

Mr. Androlewicz, you are first on my list, so why don't we just start with you?

STATEMENT OF ALOYSIUS A. ANDROLEWICZ, DIVISION VICE PRESIDENT, EDUCATION AND HUMAN SERVICES, RCA SERVICE CO.

Mr. ANDROLEWICZ. Yes, sir.

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Mr. Chairman and members of the committee, I am Al Androlewicz, division vice president, education and human services of RCA Service Co., a major division of RCA Corp.

RCA has been operating Job Corps centers for 19 years and is one of the largest Job Corps contractors in the private sector. We are responsible for 10 Job Corps centers, located in 6 of the Department of Labor's 10 regions and serving a total of approximately 4,400 corps members.

My own association with Job Corps dates from 1967 and includes field experience as a vocational training coordinator and a center director. Currently I have overall responsibility for our Job Corps business as well as a variety of other education and training programs.

We at RCA are proud of our long association with Job Corps and the record of cost-effective performance that we have compiled during that association. We are committed to maintaining and if possible exceeding that record in the future, and we welcome this opportunity to participate, on the day that Job Corps celebrates its 20th anniversary, in the committee's examination of the program's needs and resources, its achievements and potential.

My purpose in testifying is twofold. First, I want to summarize RCA's Job Corps experience in recent years, concentrating on those areas in which the committee has expressed particular interest. Second, I wish to present, in the light of that experience, a few recommendations regarding the future support and direction of the program.

Our centers perform a comprehensive range of functions for disadvantaged youths who are between the ages of 16 and 21 when they enter the program. We provide corps members with basic education, vocational training, placement assistance, dormitory and food services, health care, and counseling to meet their individual needs, and we are required to perform these services in a residential setting that is safe, clean, well maintained, and carefully supervised.

The typical new enrollee at one of our centers is an 18-year-old high school dropout who cannot read or write well enough to complete a job application, cannot add or subtract well enough to balance a checkbook, comes from a poor family, belongs to a minority group, and either has not had a job for many weeks or else has never had one.

The odds against a young person becoming a contributing member of society in the face of such disadvantages are overwhelming. But for a disadvantaged youth who completes the program at one of our centers—and over 85 percent of those who enroll do complete the program—those overwhelming odds are reversed. Over 70 percent leave the center for a place in the workforce, a branch of the Armed Forces, a technical school, or other learning institution. Some go on to earn a college degree. Many earn a high school equivalency diploma through the program. And all of those who graduate put themselves in a much better position to lead socially and economically productive lives.

In the past 6 years the rates at which our centers retain, graduate, and place their corps members have remained relatively stable. There are, however, four areas of the program in which we

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are concerned about adverse trends that have developed in recent years.

The first is the manner in which the regional offices review and support our centers. Each center that we operate is reviewed annually; the review teams use comprehensive review guides and conduct followup reviews. However, over the past few years the staff of the regional offices have been depleted by a series of reductions in force. As a result, fewer members of the review teams have the Job Corps experience necessary to conduct an effective review, assistance in correcting deficiencies is often not available, and in some instances staff members from one center are taken away from their training duties to assist with a review at another center.

Similarly, center staff members are now required to perform administrative duties that used to be performed by the regional offices such as arranging initial assignments and transportation for new corps members, maintaining the records of corps members who have left the program, and serving as the Disclosure Office for the release of information on corps members.

Even more detrimental to the effectiveness of the program is the drastic decrease in the level and quality of technical assistance available from the regional offices. In the past, problems in education, training, residential living, and counseling that were beyond the expertise of center staff could be referred to the regional offices for scheduling technical assistance from consultants. Now the only specialized technical assistance available is from regional staff who frequently have neither the time nor the specific skills required for the varied needs that arise.

The second adverse trend is the severe reduction in capital improvement and rehabilitation moneys for updating vocational training equipment and maintaining physical plants. Our vocational training course is designed to teach skills that are above all marketable, but in today's rapidly changing economy this goal can be met only if our classrooms are equipped for the 1980's, not for the 1970's or 1960's.

The reduction in rehabilitation moneys presents a problem because most of our centers are in facilities that are old and in need of continuous maintenance. Our staff and corps members contribute to daily and preventive maintenance in a variety of ways, but their efforts are not sufficient to keep the physical plants at acceptable levels of safety and sanitation.

The third adverse trend is occurring at the national level, where initiatives for the improvement of the overall Job Corps Program have become increasingly limited. Not only are there fewer initiatives, but those that are taken are being delayed by the lack of technical assistance. And here again, center staff members are sometimes asked to take time away from their primary training duties to assist in functions that are properly the responsibility of regional or national staff.

Finally, we are concerned about a decline in the recruitment of Job Corps applicants, a function that is not primarily a responsibility of the centers but that is a vitally important part of the program. Up until a few years ago, this service was obtained through a stable network of agencies that had acquired many years of experience in meeting the unique demands of Job Corps recruiting. But

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in the past year major changes in recruitment contractors have been made that have disrupted this network. As a result, many of our centers are operating significantly below capacity.

In reviewing these adverse trends, I do not want to give the committee the impression that all recent developments in the program have been negative. On the contrary, the national office has instituted a strong fiscal reporting system that enables the program to be conducted in a more businesslike way. The development of new systems covering performance standards and risk assessments to minimize the frequency and impact of serious incidents has likewise improved the program.

But we in RCA are convinced that the adverse trends I have just pointed out pose a significant threat to the continued success of the Job Corps Program. I would therefore like to recommend that Congress and the administration act to reverse these trends by taking the following four steps:

First, apply no more reductions in force to either the national or regional offices.

Second, restore the staffing of both the national and regional offices to levels that allow them to perform all their monitoring, technical assistance, and administrative functions effectively and without depending on center operating staff.

Third, take the necessary steps to maintain stability in the recruitment network.

Fourth, provide the program with sufficient moneys for capital improvement and rehabilitation to enable the centers to be properly equipped and maintained.

For 20 years Job Corps has been uniquely successful as a partnership of business, organized labor, and the Federal Government. We know that it is a program that works, and we know the reason that it works is that all three partners have made a sustained commitment to provide the personnel and the resources necessary to make it work. If this commitment falters, then there is little reason to believe that, on the occasion of the program's 25th anniversary, its levels of achievement will be as worthy of celebration as they are today on its 20th anniversary.

Thank you.

Mr. FRANK. Thank you very much, Mr. Androlewicz. I apologize for the mispronunciation at the beginning, but I appreciate the statement.

Without objection, we will insert into the record the material accompanying your written remarks.

[Mr. Androlewicz' prepared statement follows:]

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Statement of

Aloysius A. Androlewicz

Division Vice President, Education and Human Services

RCA Service Company

A Division of RCA Corporation

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- First, applying no more reductions in force to either the National or Regional Offices.
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- Third, take the necessary steps to maintain stability in the recruitment network.
- Fourth, providing the program with sufficient monies for capital improvement and rehabilitation to enable the centers to be properly equipped and maintained.

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Thank you.

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Additional Information on the Operation of Job Corps Centers by RCA Service Company Supplementing the Statement of A. A. Androlewicz to the House Subcommittee on Manpower and Training

General

RCA has managed and operated residential training centers for the U.S. Department of Labor's Job Corps program since 1966. This effort entails the presentation of vocational training programs to jobless youths and the operation and maintenance of all associated training and living facilities. Over the years, RCA has increased support to Job Corps to the extent that it now operates 10 centers nationwide, with an aggregate of over 4400 students in training and total RCA staffing of 1300. The centers operated by RCA are:

- Blue Ridge Job Corps Center, Marion, Virginia.
- Keystone Job Corps Center, Drums, Pennsylvania.
- Potomac Job Corps Center, Washington, D.C.
- Woodland Job Corps Center, Laurel, Maryland.
- Woodstock Job Corps Center, Woodstock, Maryland.
- Westover Job Corps Center, Chicopee, Massachusetts.
- Inland Empire Job Corps Center, San Bernardino, California.
- Tongue Point Job Corps Center, Astoria, Oregon.
- Tulsa Job Corps Center, Tulsa, Oklahoma.
- Oneonta Job Corps Center, Oneonta, New York.

Vocational training is offered at RCA-operated Job Corps centers in a broad range of vocations, clustered in such occupational areas as building construction, clerical and business, medical services, electronics, automotive repair, and food services. Training is offered both on center and off center, variously by RCA staff, subcontractor staff, and representatives of various trade unions and the National Association of Home Builders. Figure 1 lists the courses currently offered at the individual centers (the Oneonta center is still in the start-up stage and its courses are not included in the figure).

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COURSE TITLE: (DOT CODE)		BLUE RIDGE	INLAND EMPIRE	KEYSTONE	POTOMAC	TONGUE POINT	TULSA	WESTOVER	WOODLAND	WOODSTOCK
BUSINESS AND CLERICAL										
Clerk Typist	201.362-010	X					X	X	X	
	203.388-010		X							
	203.582-010			X						
	209.562-010				S					S
	203.582-066					X				
Accounting Clerk	216.482-010	X	X	X			X		X	
Bookkeeper	210.382-014	X	X		S			X	X	S
	210.382-018	X								
Cashier-Checker	211.462-014	X						X		
Bank-Teller	211.362-018	X						X		
Retail Sales Clerk	279.357-050	X								
Typist	203.582-066		X				X			
Stenographer	202.362-014			X						
Receptionist	237.367-038	X	X	X				X	X	
General Administrative Clerk	219.362-010		X			X	X	X		
Clerk-General	209.562-010									
File Clerk	206.362-010		X	X					X	
Calculating Machine Operator	216.482-022		X							
Transcribing Machine Operator	203.582-058									
Keypunch Operator	203.582-030			X			X			

Figure 1. Vocational Course Offerings at RCA-Operated Job Corps Centers (Sheet 1 of 8)

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COURSE TITLE: (DOT CODE)		BLUE RIDGE	INLAND EMPIRE	KEYSTONE	POTOMAC	TONGUE POINT	TULSA	WESTOVER	WOODLAND	WOODSTOCK
Information Clerk	237.367-022					X				
Secretary	201.362-030						X	X		
HEALTH OCCUPATIONS										
Nurse Aide/Assistant	355.674-014	X		X	S	X	X	X		
Medical Ward Clerk	245.362-014	X		X		X		X		
Medical Secretary	201.362-014	X		X						
Medical Assistant	079.367-010	X						X		
Hospital Dietary Aide	355.677-010	X		X						
Physical Therapy Aide/ Attendant	355.354-010	X		X	S			X		
Medical Records Clerk	245.362-010		X							
Teacher/Child Care Aide	355.674-010	X			S					
EKG Technician Aide	078.362-018 078.362-010	X		X						
Dental Assistant	079.371-010			X	S	X		X		
Day Care Worker	359.677-018				S					
Medical Laboratory Assistant	078.687-010									
X-Ray Technician	078.362-026			X						
Inhalation Therapy Aide	079.361-010			X						
Nursing Assistant/ Pediatric	355.674-010			X						

Figure 1. Vocational Course Offerings at RCA-Operated Job Corps Centers (Sheet 2 of 8)

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COURSE TITLE: (DOT CODE)	BLUE RIDGE	INLAND EMPIRE	KEYSTONE	POTOMAC	TONGUE POINT	TULSA	WESTOVER	WOODLAND	WOODSTOCK
Mental Retardation Assistant 354.677-010			X						
Emergency Medical Technician 079.374-010									
Licensed Practical Nurse 079.374-014							X		
Electrocardiograph Technician 078.362-018							X		
FOOD SERVICES									
Cook/Apprentice 313.361-018			X		X				
Cook 313.361-014			X						
Cook, Helper 317.687-010			X	8	7		X	X	8
Cook, Short Order 313.361-014 313.361-022			X				X		
Kitchen Helper 318.687-010			X						
Waiter/Waitress 311.138-878			X						
Cook, Institutional 115.361-010				8				X	8
Cook, Domestic 305.281-010				8					
Cook, Fry 526.685-014									
Baker 313.361-010							X		
Counter Worker 311.477-014								X	
AUTOMOTIVES									
Auto Mechanics Helper 620.684-014			o					X	

Figure 1. Vocational Course Offerings at RCA-Operated Job Corps Centers (Sheet 3 of 8)

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COURSE TITLE (DOT CODE)		BLUE RIDGE	INLAND EMPIRE	KEYSTONE	POTOMAC	TONGUE POINT	TULSA	WESTOVER	WOODLAND	WOODSTOCK
Service Station Attendant	915.467-010									
Auto Body Repairer	807.687-010		S							
	807.381-010							X	X	
Automotive Repairer	620.261-010		S							
Painter Automotive	845.381-014								X	
Auto Mechanic	620.261-026							X		
Mechanic, Small Engines	625.281-010							X		
	625.281-034			•						
METAL TRADES										
Welder, ARC	810.384-014							X		
Welder, Gas	811.684-014							X		
Welder, Combination	819.384-010					X	S	X		S
	819.384-018									
	812.381-010		S							
	819.687-014			O						
ELECTRONICS										
Electronic Assembly/ Repair	726.684-010									
	723.381-010									
	729.384-010							X		
Electronics Tech	828.281-010		S				X			
Electronics Repair	828.281-014						X			
CONSTRUCTION TRADES										
Plumber	862.381-034									
	862.381-030			N	N					N

Figure 1. Vocational Course Offerings at BCA-Operated Job Corps Centers (Sheet 4 of 8)

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COURSE TITLE: DOT CODE	BLUE RIDGE	INLAND EMPIRE	KEYSTONE	POTOMAC	TONGUE POINT	TULSA	WESTOVER	WOODLAND	WOODSTOCK
Electrician Helper 829.684-002									
Electrician 824.261-010			X	X					X
Carpentry 860.381-022		U	X	X	U	X			X
Brick Mason 861.381-018			U	X		U	U		X
861.381-011			U						
Cement Mason 844.364-014				X					X
844.364-010					U				
844.374-010			U						
Painter 840.381-010			U	X	U	X	U		X
Sign Painting 970.381-026							U		
Plasterer 842.361-022									X
842.361-018			U		U				
Building Maintenance 899.381-010		X	X	X	X	X	X	X	X
889.381-010									
Glazier 865.381-014					U				
Tile Setter 861.381-054		U							
Floor Coverer 864.687-010		X							
864.381-010		X							
864.481-014		X							
Floor Layer 864.481-010							X		
Tile & Floor Covering 861.381-054									X
AGRICULTURAL & RELATED OCCUPATIONS									
Landscape Gardener/ Assistant 408.161-010		X			X				X

Figure 1. Vocational Course Offerings at RCA-Operated Job Corps Centers (Sheet 5 of 8)

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COURSE TITLE: (DOT CODE)		BLUE RIDGE	INLAND EMPIRE	KEYSTONE	POTOMAC	TONGUE POINT	TULSA	WESTOVER	WOODLAND	WOODSTOCK
Horticultural Worker	405.684-014		X							
Nursery Laborer	405.687-014		-							
MACHINE TRADES										
Machinist	600.280-222		S	O						
Machine Operator	600.380-018						S			
Drill Press Operator	606.685-026							X		
Grinder Operator	603.685-062							X		
Lathe Operator	604.685-016							X		
Printing	652.382-010					X				
COSMETOLOGY										
Cosmetologists	332.271-010						S		X	
Manicurists	331.674-010								X	
PROFESSIONAL OCCUPATIONS										
Surveyor	018.167-038		U							
Drafting, Commercial	017.261-026						S			
Residential Counselor	045.107-038								X	
SERVICE OCCUPATIONS										
General Pest Control Operator	389.684-010								X	
Security Services	372.667-034				C			X		
Telephone Installer	822.381-018					X				

Figure 1. Vocational Course Offerings at RCA-Operated Job Corps Centers (Sheet 6 of 8)

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COURSE TITLE: (DOT CODE)	BLUE RIDGE	INLAND EMPIRE	KEYSTONE	POTOMAC	TONGUE POINT	TULSA	WESTOVER	WOODLAND	WOODSTOCK
Weatherproofing (Insulation) 863.381-014							X		
BENCH WORK OCCUPATIONS									
Refrigeration/Air Conditioning Mechanic 637.687-014			O						
381.623-804				S					
Small & Major Appliance Repair 723.584-010			X						
637.261-018			X						
723.381-010			X						
Radio and TV Repair 720.381-010									
OTHER									
GED/College Preparatory				S					
BRAC TRAINING ON CENTER									
Railroad Clerk 222.367-022					S				
Yard Clerk 209.367-054				S					
General Office Clerk 219.362-010				S					
MISCELLANEOUS									
Forklift Operator (Warehouse) 921.683-050			O						
Sheet Metal Worker 804.281-010			O						
Metal Plater 500.380-010			O						
Fabric Worker 739.381-014			O						

Figure 1. Vocational Course Offerings at RCA-Operated Job Corps Centers (Sheet 7 of 8)

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COURSE TITLE: (DOT CODE)	BLUE RIDGE	INLAND EMPIRE	KEYSTONE	POTOMAC	TONGUE POINT	TULSA	WESTOVER	WOODLAND	WOODSTOCK
Inventory Management Clerk 222.387-026			O						
Traffic Rate Clerk 214.362-038			O						
Offset Print Operator 651.682-010			O						
Illustrator, Graphic Arts 141.061-022			O						

LEGEND

S - Subcontract

U - Union Programs

N - National Association of Home Builders (NAHB)

X - Being offered by RCA

O - Off-Center Training (Limited number of slots available)

Figure 1. Vocational Course Offerings at RCA-Operated Job Corps Centers (Sheet 8 of 8)

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Curricula and Curricular Materials

The instructional program at Job Corps centers is self-paced, open-entry, and open-exit. Training courses are competency-based and criterion-referenced. Curriculum development is ongoing. A systems approach is used, and vocational curricula follow nationally approved Occupational Training Guides (OTG). When new vocations are introduced by a center, the center is charged with developing an occupational training guide based on surveys and interviews of job incumbents, licensing requirements, industry advisory panel inputs, job observations, and other relevant data. Several OTG's have been developed by RCA, e.g., exterminator, environmental specialist, telephone installer, and telephone line repairer. Even in the areas for which the training that will be offered has been prescribed, each center is responsible for customizing the training to local needs and reviewing each curriculum annually to ensure its continuing relevance. RCA curriculum specialists work with representatives from employer groups and the industry advisory council to update and revise the content of vocational instruction.

RCA staff members regularly develop and use audiovisual materials including photographs, filmstrips, films, videotapes, posters, and other media. Audiovisual materials are used in all aspects of corpsmember training, beginning with orientation, during which corpsmembers view films and videotapes that introduce them to life at the center and familiarize them with the various vocations for which the particular center offers training. Throughout their training corpsmembers are shown slides, films, tapes, drawings, and photographs that teach them how to interview for a job, maintain health standards, cooperate with others, perform specific tasks associated with their chosen vocations, and overcome behavior problems. At some of the centers videotapes are made while corpsmembers practice their interviewing skills. Corpsmembers later view the tapes to discover their strengths and weaknesses; the insight that they gain through viewing these tapes helps them to develop plans to improve their skills.

Supporting the vocational training at Job Corps centers are a number of other educational program elements designed to assist the young and relatively inexperienced trainees better prepare themselves for self-supporting, productive employment in the American job market. These include remedial and upgrading instruction in basic educational skills (primarily reading and mathematics); introduction to the World of Work; on-the-job work experience; driver education; and health education.

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Bilingual and cultural enrichment programs are designed to assist trainees from Spanish-speaking and other minority populations to be able to function more effectively in the mainstream of society.

Assessment

RCA provides three phases of assessment at Job Corps centers -- initial entry assessment, in-process assessment, and final assessment. Initial assessment consists of two components.

The first component is a series of written tests that are designed to determine the best place to start in an open-entry, open-exit, self-paced, individualized training program. The second component consists of job sampling in various vocational options, coupled with counseling designed to help the individual make a viable and practical career selection.

In-process assessment uses curriculum-embedded testing augmented by Progress and Performance Evaluation Panels (P/PEP). These panels consist of selected instructors, resident advisors, and counselors who are most knowledgeable of the student. At least once every 6 weeks, this panel meets with the student to provide feedback, discuss progress, and plan with the student specific short-term objectives that are relevant to his or her career goals.

The final assessment of most corpsmembers consists of work experience in an actual job environment for up to 30 days. Participating employers complete evaluation questionnaires frequently during this period and the results are used to counsel the student and fine tune the last phases of training. Some final assessments involve taking licensing examinations or other specific tests or completing GED requirements.

Staff Training

RCA trains supervisory personnel at all of the Job Corps centers that it operates as part of a comprehensive staff development program. Using the resources of local colleges, universities, and social service agencies, plus on-center training libraries of books, films, tapes, filmstrips, and other media, RCA training specialists conduct workshops in:

- Management by objectives.
- Planning, organizing, coordinating, and controlling functions.

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- Delegating responsibility.
- Management styles.
- Leadership.
- Communication.
- Motivation.
- Counseling.
- Personnel policies and procedures.
- Budgeting (if applicable).

In addition, all vocational training and basic education instructors receive special auxiliary training in classroom management through the Systematic Training for Effective Teaching program. Topics covered in this in-service program include:

- Motivating through encouragement.
- Listening and communicating.
- Problem solving.
- Discipline as a learning process.
- Group dynamics.
- Group leadership.

All training is assessed continually by training specialists based on feedback from participants and courses are modified or expanded as necessary.

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Record of Performance.

The Performance Standards for RCA-operated Job Corps centers during the period July 1983 to June 1984 are as follows:

Standard	Acceptable Range	RCA Performance
90-Day Retention Rate	65 - 70%	68.2%
180-Day Retention Rate	75 - 83%	76.8%
180-Day Placement Rate	75 - 85%	84.6%

The Performance Measurements for RCA-operated centers during the period October 1983 to June 1984 are as follows:

Performance Measurement	National Standard	National Average	RCA Average
Completion Rate	65.0%	73.7%	68.7%
Capacity Utilization	100.0%	99.3%	97.4%
Placement	95.0%	81.2%	87.8%

RCA's average Capacity Utilization for July and August 1984 is 92.6%, down 4.8% from the previous 9 months.

Mr. FRANK. Next, we will have Mr. Gaines.

STATEMENT OF JOHN GAINES, PRESIDENT, TELEDYNE ECONOMIC DEVELOPMENT CO.

Mr. GAINES. I endorse everything that Mr. Androlewicz has just said. My words were supposed to be shorter.

I liked his four points. I don't want to be repetitious here, but I sort of feel that when Herb Watkins gets his chance to speak that you are going to hear the same story over and over and over again with regard to the success of Job Corps.

However, I believe that we all feel very strongly about this program and, therefore, perhaps a little repetition of what goes on here is in order.

The Teledyne Corp. has been operating Job Corps centers for the past 20 years and is currently operating 10 centers located in the States of New Mexico, Arizona, Oklahoma, Florida, Massachusetts—Congressman—Virginia, and Pennsylvania.

The Job Corps Program is a part of the new Jobs Training Partnership Act. When President Reagan was signing this new act into law, he made this comment about Job Corps, and I quote: "Job Corps is an example of individuals becoming taxpayers not tax burdens." I want to repeat those key words: "taxpayers not tax burdens."

Gentlemen, that is what Job Corps is all about.

The approximately 80,000 young people, ages 16 through 21 who receive training in the 103 Job Corps centers located throughout the United States, come from poverty-level families. The majority are high school dropouts with no place to go but down. They come to Job Corps with average reading and math skills at the fifth grade level. They are unemployable.

They move into the Job Corps training centers where they stay for an average of 9 months. They live, eat, and train at these centers 7 days a week. I want to repeat that. They live there; they eat

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there; they train there; and they are there 7 days a week, 365 days a year.

They are taught what I like to call the three R's. It might sound a little corney but it's reading, riting, and rithmetic. Many of these young people study for and receive their GED which is the high school diploma equivalency. They are taught basic educational skills.

Then we really get down to the basics. They are taught how to fill out an employement form, how to prepare for an employment interview, how to dress for an employment interview.

In short, Job Corps takes unemployable droputs and prepares them for the world of work and prepares them to become employable, taxpaying citizens.

Again, the key words are: "employed taxpaying citizens." That is what the taxpayers of this Nation are paying for—the direct and indirect dollar return to the U.S. taxpayer far exceeds the cost of the program.

I was asked to keep my remarks brief, and I have done so.

My written testimony has been submitted to the committee and is considerably more wordy. However, in thinking it over, I would like to just read a few excerpts from my written testimony.

Mr. FRANK. You may proceed. Let me say that if there is no objection from the other members, we will insert the entirety of your statement into the record.

Mr. GAINES. Oh, yes, I understand that.

Mr. FRANK. Yes; but if I don't say that, we don't do it, Mr. Gaines. [Laughter.]

Mr. GAINES. My God, say it.

Mr. FRANK. Without objection, it will be inserted into the record.

[Mr. Gaines' prepared statement follows:]

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Testimony of
John W. Gaines
President
Teledyne Economic Development Company

Introduction

Teledyne has been operating Job Corps Centers for the past twenty (20) years. We currently operate Centers in Phoenix, Arizona; Tucson, Arizona; Albuquerque, New Mexico; Roswell, New Mexico; Guthrie, Oklahoma; Pittsburgh, Pennsylvania; Grafton, Massachusetts; Gainesville, Florida; Jacksonville, Florida and Monroe, Virginia.

Since 1964 the Teledyne Centers have been given consistently high performance ratings by the Department of Labor. I have been asked to comment regarding any apparent changes in the way Department of Labor has monitored the program since 1978. I believe this monitoring has consistently improved. DOL performs a comprehensive review and inspection of each Center once a year. In addition, during the year, DOL will send various individuals to each Center to provide technical review and assistance as required. This inspection is performed to assure DOL that the Federal Regulations, concerning the operation of Job Corps Centers, are being followed. Each contractor is also ordered by DOL to maintain regularly scheduled annual reviews of its Centers by its corporate staff. In addition, each contractor is charged with on-going corporate overview and management assistance to each Center. However, I do believe that the recent round of government RIF's has placed a heavy burden on ETA due to the loss of qualified and experienced Job Corps personnel. This program has been in existence for 20 years. During that time DOL had built up a cadre of staff well experienced in Job Corps matters. There is no question that the RIF's have hurt this staffing pattern. ETA has attempted to minimize this problem but I believe it is a deep and continuing concern to all involved in this program.

All of the following comments concern TRAINING. Training is what this program is all about. The Job Corps enrolls disadvantaged young people (ages 16-21) who are usually high school dropouts -- with no place to go but down -- and trains them. Trains them to be PRODUCTIVE EMPLOYABLE CITIZENS. It is not an easy task. It is a task this country cannot afford to ignore. It is a task that is now being done by JOB CORPS. The direct and indirect dollar return to the United States Taxpayer far exceeds the cost of this program.

Job Corps Budget and Personnel

Job Corps is the most successful social laboratory in the country to research and implement methods of breaking the poverty cycle. The great strides made by the program over the past twenty (20) years have proven this repeatedly. If a corpsmember is to succeed in a job, he or she, must possess skills in five interrelated areas: Vocational, educational, physical, living and social. This is what Job Corps provides. As Mathematica Policy Research of Princeton, New Jersey has found, "the average investment per corpsmember is paid back in approximately three years". With the proven success rate of the more than 1,000,000 youngsters who have profited by Job Corps, it can be truly said that congressional appropriations have been and continue to be well spent. In terms of real dollars, the budget for Job Corps has decreased over the years but Job Corps has steadily improved its program. I hardly need say that the employment situation for the youth of this country needs special attention. Basic skills and attitudes necessary for employment are of utmost

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importance. Job Corps is a successful vehicle for providing disadvantaged youth with these skills. It is an outstanding demonstration of the joining of industry, labor, government and youth into a successful program. Budget considerations continues to plague us all. I am sure that when your committee reviews the Job Corps budget for FY'85 and future years, this worthwhile program will receive the consideration it deserves.

Vocational and Skills Training

The vocational learning environment at Job Corps Centers manifests the philosophy of individualized training, complimented by the development of skills and confidence in each corpsmember. The Center's vocational training is designed with a focus on each individual's current position in the working world, his/her employment expectations, and the establishment of realistic goals and development of skills to attain them.

Curriculum insures that individual abilities are exercised in the acquistion of specific skills required for employment. Opportunity is continually available to practice these skills in order to stimulate motivation. Motivation is further increased through progressive accomplishment of tasks. All training experiences are directly supported by vocationally related reading and math.

Job Corps is well aware that conventional methods of training have not worked in the Job Corps target population. Therefore, instructional techniques and methods are designed to cope with corpsmembers who have a history of difficulty in training or negative attitudes toward it.

The Job Corps Program teaches young people how to work. Job Corps has been a national leader in developing competency based vocational programs within the system. This vocational improvement effort with all its thrust must be maintained. I urge the subcommittee to take special care to see that these efforts of the Department of Labor continue to receive the necessary attention for success.

Basic Education

The Job Corps education program emphasizes basics. Reading and math skills are stressed. The acquisition of a GED, for those without a high school diploma, is paramount for job placement in many occupations. Training in other social and living skills takes place to address behaviors which have caused the youth problems at home and at work.

We have developed within Job Corps a very strong and successful basic education program geared towards individuals moving at their own pace to reach common goals. The GED program developed for Job Corps is utilzied by many non-Job Corps organizations. Teledyne is particularly proud of a Learning Disabilities program developed by the Gainesville Center in conjunction with the University of Florida. This program is the most extensive one of its kind dealing with adolescent learning problems. It will soon be utilized nationally. These programs illustrate the Basic Education areas strengths.

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Job Corps has designed a program that blends superior instruction with sensitivity to the needs of the disadvantaged young person. Learning is made interesting, individualized to the corpsmember's abilities and interests, and geared to the deamnds of the job market.

Job Corps defines learning as an interaction with one's environment that prompts a change in behavior. The challenge for the Job Corps staff is to direct corpsmember's interactions with their environment so as to help them deal more successfully with the working world.

Job Corps taps corpsmember's innate capacity to master tasks they have not attempted. First, it stimulates their desire to learn and persevere in the task; and, second, it allows them the time their abilities require to master it.

Accordingly, Job Corps is guided by the following precepts in designing the Job Corps Center's educational training program to be of greatest benefit to the corpsmembers:

- Individualized instruction promotes effective learning.
- Most corpsmembers can master the learning task if it is presented effectively and if they are allowed as much time to practice and absorb it as their individual ability requires.
- In order to be mastered, a learning experience must be meaningful to the learner. Instructors should continually demonstrate how the subject matter will be useful to corpsmembers.
- Learning is measurable and should be measured.
- Effective learning requires the learner's active participation.
- The goal of learning is to enable the learner to apply knowledge, skills, or attitudes to his/her own life.

The education staff of the Job Corps gives all corpsmembers individual attention to insure that they have the opportunity to leave the program with a GED, to master the skills needed to locate and progress in a job that offers upward mobility, and to attain the self-confidence and knowledge necessary to live independently while working with others in our society.

To meet corpsmember's needs, the education staff works closely with individual corpsmembers in three main areas:

Academic education (math, reading, and GED)--to help corpsmembers acquire all the knowledge and skills they are capable of attaining.

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Vocational support to prepare corpsmembers with the skills necessary to find and keep the job that offers upward mobility. The academic education staff works with the vocational staff in developing vocational vocabulary sheets and writing corpsmember activity guides to enable corpsmembers to understand the vocational materials used in the various shops.

social development to encourage personal growth, social skills, and independence.

These three areas work in conjunction with all components of the Center to assure that corpsmembers receive a well developed and thorough training experience.

Residential Living

The aspect of Job Corps which truly distinguishes it from the majority of other training programs is its residential element. Center Life includes many components -- counseling, orientation, recreation, health services, enrollee support, and, of course, residential living. All of these areas assist the youth to live independently after leaving the program.

During the past three (3) years, Job Corps has made a concerted effort to improve this area. A Training Academy for Residential Advisors has been established at the Clearfield, Utah Center. Emphasis has been placed on group dynamics and intergroup relations. The residential living program is designed to provide corpsmembers with the maximum opportunity to develop patterns of living that help them succeed in their educational and vocational training and build a rewarding personal life. Positive behavioral change can be produced only in an environment of trust, confidence, and successful experiences. The residential program provides a base of stability, must motivate the corpsmember to change unacceptable behavior, and continues long enough for the corpsmember to feel comfortable and secure in new patterns of living and behavior.

To create such an environment, Job Corps has designed the residential living program to meet the following objectives:

Provide each corpsmember with safe, secure and healthful physical surroundings.

Enable each corpsmember to better cope with the demands of living as a responsible member of society and to relate to peers and authorities.

Provide professional counseling to meet individual needs.

Promote interest in productive leisure experiences.

Reinforce positive behavioral change by giving praise, privileges, and greater responsibility.

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Desired corpsmember behaviior is maintained by specifying a minimal number of rules consistent with Job Crops requirements, acquainting staff and corpsmembers with the need for them, and training the staff in enforcing them appropriately.

Physical Plants

The physical plants of Job Corps are as diverse as there are Job Corps Centers. Continuous work needs to be done on these sites to keep them at proper health and safety levels for corpsmembers in their training. I urge continued attention to the Job Corps facilities which now exist.

Equipment Needs

As well as Job Corps does in its vocational training efforts, it has been hampered by the lack of funds to utilize current training equipment. Corpsmembers, when placed on Work Experience, are often confronted with machinery they have never seen. We view the ability of Job Corps to keep current with the needs of the vocational trades now being offered at Center's as one of the most important requirements of the future Job Corps vocational program.

In closing, I would like to comment to this committee, that Job Corps may be compared to another program supported by Congress. I compare the Job Corps program with the GI Bill which was passed shortly after World War II. The GI Bill legislation has proven to be one of the wisest legislative bills passed and supported by Congress in this century. I believe Job Corps, although on a smaller scale, can be included in this category.

Thank you for this opportunity to share with you, my insights concerning Job Corps.

Mr. GAINES. I didn't come all the way from California not to get it in the record. [Laughter.]

Mr. FRANK. Go ahead.

Mr. GAINES. What I am going to address here is this. I went through my written testimony and as I read it over in my own mind, I said to myself, "What key things struck my mind that would be meaningful or I felt would be meaningful to you folks up here." So, as I read through this wordy thing, I picked up a few key phrases, and I am just going to read them through so there is not necessarily a context of a followed script. Nevertheless, I think the things that I am going to mention from my written testimony bear mentioning here before you gentlemen.

DOL performs a comprehensive review and inspection of each center once a year. In addition, during the year, DOL will send various individuals to each center to provide technical review and assistance as required. This inspection is performed to assure DOL that the Federal regulations concerning the operation of Job Corps centers are being followed.

In addition, each contractor is also ordered by DOL to maintain regularly scheduled annual reviews of the centers by its corporate staff. In addition to all of this, each contractor is charged with ongoing corporate overview and management assistance to each center. And the reason I am pointing this statement out is because you gentlemen asked for a comment on that particular subject in the correspondence I received from you all.

Going forward here—I don't want this to sound self-serving but I certainly believe it and I am sure my colleagues here believe it and I imagine all the folks behind me in this room certainly believe

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it—Job Corps is the most successful social laboratory in the country to research and implement methods of breaking the poverty cycle.

I want to stop and let that set in for a minute because that is certainly the backbone and the guts of this program.

Also, in terms of real dollars the budget for Job Corps has decreased over the years, but Job Corps, in my opinion, has steadily improved its program.

Those were excerpts from page 1, and there were a lot of other words on page 1, but we are going to move right on to page 2.

Mr. FRANK. Mr. Gaines, why don't you just read what you want to read. I don't think we need the commentary about what is in and what is out. Just read them.

Mr. GAINES. All right.

Job Corps is an outstanding demonstration of the joining of industry, labor, government, and youth into a successful program. The centers vocational training is designed with a focus on each individual's current position in the working world, his or her employment expectations, and the establishment of realistic goals and development of skills to attain them.

Job Corps is well aware that conventional methods of training have not worked in the Job Corps target population. Therefore, instructional techniques and methods are designed to cope with corps members who have a history of difficulty in training or negative attitudes toward it.

The Job Corps education program emphasizes basics. The acquisition of a GED for those without a high school diploma is paramount for job placement.

We have developed within Job Corps a very strong and successful basic education program geared toward individuals moving at their own pace to reach common goals.

Job Corps defines learning as an interaction with one's environment that prompts a change in behavior.

Job Corps taps corps members' innate capacity to master skills they have not attempted.

One aspect of Job Corps which truly distinguishes it from the majority of other training programs is its residential element. Center life includes many components: counseling, orientation, recreation, health services, enrollee supports, and, of course, residential living. All of these areas assist the youth to live independently after leaving the program.

The physical plants of Job Corps are as diverse as there are the numbers of Job Corps centers. Continuous work needs to be done on these sites to keep them at proper health and safety levels for corps members in their training.

In conclusion, I compare the Job Corps Program with the GI bill which was passed shortly after World War II. The GI bill legislation has proven to be one of the wisest legislative bills passed and supported by Congress in this century. I believe Job Corps, although on a much smaller scale, can be included in this category.

Thank you.

Mr. FRANK. Thank you very much, Mr. Gaines.

We will have some questions where we can elaborate on some of these.

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Finally, Mr. Watkins.

STATEMENT OF HERBERT W. WATKINS, VICE PRESIDENT AND GENERAL MANAGER, CAREER SYSTEMS, SINGER CO.

Mr. WATKINS. Thank you, Mr. Chairman.

Mr. FRANK. Let me just say, Mr. Watkins, that without objection, your statement will be inserted into the record in its entirety, and you are free to present all or part of it, as you wish.

[Mr. Watkins' prepared statement follows:]

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TESTIMONY BY H. W. WATKINS,
VICE PRESIDENT AND GENERAL MANAGER
THE SINGER COMPANY, CAREER SYSTEMS

BEFORE THE SUBCOMMITTEE ON
MANPOWER AND HOUSING OF THE
GOVERNMENT OPERATIONS COMMITTEE

September 26, 1984

I am Herbert W. Watkins, Vice President and General Manager of the Career Systems operation of The Singer Company. Singer currently manages 12 Job Corps Centers under contract to the U.S. Department of Labor, through its Employment and Training Administration. Career Systems, as a separate training company within The Singer Company, also implemented vocational assessment and training programs funded through various other titles of the CETA legislation. In addition, we have operated programs in public schools, in vocational facilities, in correctional institutions and for the military. We are currently conducting similar programs and marketing related products to the newly formed JTPA service delivery areas as well as operating dislocated worker programs for industry.

The Job Corps program remains our base of greatest experience, as well as the largest percentage of our annual sales. I personally became involved with Job Corps when it was still under the auspices of the Office of Economic Opportunity. In its 20-year history, I have seen widespread and bipartisan Congressional support engendered by the program's effectiveness with the disadvantaged young men and women who have enrolled in Job Corps.

I am not concerned now as to the program's continuation as much as I am with its ongoing program effectiveness and its responsiveness to the needs of the target population served.

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Job Corps, at it's current level of 40,544 service years, faces a fiscal shortfall at the 1984 program funding level of $577.5 million. The supplemental appropriation of $21.7 million to the Job Corps Fiscal Year 1984 budget will help to address the backlog of facility repairs and equipment replacements, but the problem of an excessively tight operational budget remains. The Administration budget of $600 million for the Fiscal Year 1985 appropriation will maintain the current operational level only if stringent cost cutting measures are instituted.

I am concerned about the level of technical support and program innovation in the face of the reduced budgets and severe personnel reductions that have occured. In the five years between 1978 and 1983, the program was expanded to serve more of the target population, while the number of Regional and National Job Corps staff was steadily decreased. The number of enrollees in this five year period increased 82.8 percent and the number of centers expanded by 77.9 percent, from 59 to 105 centers. Yet the authorized positions in Job Corps Regional Offices decreased by 42.8 percent from 271 positions to 155. Today, with a capacity level of 40,544 slots and 107 centers, Job Corps has authorized ceilings of 151 staff at the Regional level and 46 staff at the National level. From 1980 to 1984, the staff was cut approximately one third. In my opinion, the Regional staff, at least, should be restored by 20 percent or a minimum of 25-30 positions.

The reduction in position ceilings has affected the quality of the program by two factors: a reduced number of staff - with a workload at an expanded level - and the exchange of experienced staff with inexperienced staff. Most, if not all, of the Regional Offices have lost a majority of their experienced Job Corps staff through "bumping" by senior transfers from other ETA functions -- generally CETA and Employment Service.

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The contractor's job has been made more difficult in light of the lack of Regional Office knowledge and continuity for evaluating proposals, selecting contractors, conducting center reviews and acting on requests for approval. Obviously, such a situation lessens both the amount and the quality of management and support performed by the government. Contractors have been forced to assume a number of functions previously considered to be more properly responsibilities of the Regional Offices. Two examples are supplementary recruitment of corpsmembers and the initial review and determination of the medical and behavioral suitability of new enrollees. These two areas particularly concern me because of liability issues for which the contractor does not receive protection under the Tort Claims Act, as does the Government. Contractors can and have been sued for illegal actions of corpsmembers, and the lawsuits to establish necessary precedents are extremely costly to the corporations. These and other shifts of accountability to the contractors increase the financial exposure and attendant risks at the same time that Job Corps operating budgets and managements fees for performing a continuing, enlarging scope of work have not increased accordingly.

The shift of functions from the Regional Offices to the contractors and their centers places a greater degree of an administrative burden on center staff, thereby diverting management from program considerations. Combining diminished technical support for program improvement with increased administrative duties at the center level, as well as generally tighter budgets for center operations, is a design that can only impact on the quality of the education and training program delivery. Nor is it appropriate to decrease Regional Office monitoring by restricting project manager visits or Regional Office reviews of centers because of reduced personnel or travel funds while increasing the contractors' liabilities for disallowed costs or significant incident control.

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In late 1982, several million dollars of funding was transferred from Job Corps to the Office of the Inspector General in the Department of Labor, for the purpose of auditing Job Corps contracts. Throughout the many audits and re-audits in FY '83 and '84, few improprieties were found that resulted in disallowance of costs. Approximately 1.1 billion dollars of costs, over a 6-7 year period, were audited with only three million dollars of suggested disallowed costs, before final justification and appeal by the contractors. This finding represents .3 of a percent and clearly suggests that Job Corps operators are fiscally responsible.

The audits determined that Job Corps has a sound fiscal management system. What we need now is more support for program enhancement and technical support from experienced government staff. "After the fact" documentation has lesser value in terms of real need that "before the fact" program assistance. I would suggest to the Subcommittee that the Job Corps program is performing a vital service for disadvantaged youth and that the program should be supported by the federal dollars and personnel to do the job.

Mr. WATKINS. Thank you.

I am vice president and general manager of the Singer Career Systems operation of the Singer Co. Singer currently manages 12 Job Corps centers under contract with the U.S. Department of Labor through its employment and training administration.

We operate centers in seven different Federal regions. In addition to that, we also operated other training programs for CETA, correctional institutions, military, and, particularly at this point in time, conduct JTPA programs and the dislocated worker programs for industry.

The Job Corps Program, however, remains our base of greatest experience, as well as the largest percentage of our annual sales. I personally became involved with Job Corps when it was still under the auspices of the Office of Economic Opportunity. In its 20-year history I have seen widespread and bipartisan congressional support engendered by the program's effectiveness with the disadvantaged young men and women who have enrolled in Job Corps.

I need not speak, I think, any further to the success of the program. You have certainly expressed your acknowledgement of that.

I am not concerned in my testimony as to the program's continuation or its effectiveness as much as I am with its ongoing program effectiveness and its responsiveness to the needs of the target population served.

Job Corps at its current level of 40,544 service years faces a tight fiscal problem in the 1984 funding level of $577.5 million. The supplementary appropriation of $21.7 million to the Job Corps fiscal year 1984 budget will help to address the backlog of facility repairs and equipment replacements but the problem of an excessively tight operational budget remains. The administration budget of $600 million for the fiscal year 1985 appropriation would maintain the current operational level only if stringent cost-cutting measures were instituted.

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I am concerned about the level of technical support and program innovation in the face of reduced budgets and severe personnel reductions that have occurred. In the 5 years between 1978 and 1983 the program was expanded to serve more of the target population, while the number of regional and national Job Corps staff was steadily decreased. The number of enrollees in this 5-year period increased 83 percent, and the number of centers expanded by 78 percent from 59 Job Corps centers to 105 Job Corps centers in that period. Yet, the authorized positions in Job Corps regional offices decreased by 43 percent from 271 positions to 155. Today with the capacity level of 40,544 slots and 107 centers, Job Corps has authorized ceilings of 151 staff at the regional level and 46 staff at the national level. In the period from 1980 to 1984, the staff was cut approximately one-third. In my opinion, the regional staff, at least, should be restored by 20 percent or a minimum of 25 to 30 positions. The cuts were just too deep.

The reduction in position ceilings has affected the quality of the program by two factors: a reduced number of staff—with a workload at an expanded level—and the exchange of experienced staff with inexperienced staff. Most, if not all, the regional offices have lost a majority of their experienced Job Corps staff through bumping by senior transfers from other ETA functions, generally CETA and Employment Service.

The contractor's job has been made more difficult in the light of this loss of knowledge and continuity for evaluating proposals, selecting contractors, conducting center reviews, and acting on requests for approval. Obviously, such a situation lessens both the amount and the quality of management and support performed by the Government. Contractors have been forced to assume a number of functions previously considered to be more properly responsibilities of the regional offices. Two examples are supplementary recruitment of corps members and the initial review and determination of medical and behavioral suitability of new enrollees. These two areas particularly concern me because of the liability issues—I should point out that this is a favorite subject of mine—for which the contractor does not receive protection under the Tort Claims Act, as does the Government. Contractors can and have been sued for illegal actions of corps members, and the lawsuits, established for necessary precedents are extremely costly to the corporations. These and other shifts of accountability to the contractors increase the financial exposure and attendant risks at the same time that Job Corps operating budgets and management fees for performing a continuing, enlarging scope of work have not increased accordingly.

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In late 1982, several million dollars of funding were transferred by Job Corps to the Office of the Inspector General in the Department of Labor for the purpose of auditing Job Corps contracts. Throughout the many audits and reaudits in fiscal year 1983 and 1984, few improprieties were found that resulted in disallowance of costs. Approximately $1.1 billion of costs, over a 6 to 7 year period, were audited with only $3 million—and I believe my figures are correct—of suggested disallowed costs, that is, before final justification and appeal by the contractors. This finding represents 0.3 of a percent and clearly suggests that Job Corps operators are fiscally responsible.

The audits determined that Job Corps has a sound fiscal system, management system. What we need now is more support for program enhancement and technical support from experienced Government staff. Why not take that kind of money and use it for what we now need?

"After the fact" documentation has lesser value in terms of real need than "before the fact" program assistance. I would suggest to the subcommittee that the Job Corps Program is performing a vital service for disadvantaged youth and that the program should be supported by the Federal dollars and personnel to do the job.

Let me add in closing that a lot has been done in a professional management sense by the National Job Corps Director to standardize and uniformly control the administration of this program. I applaud that.

We just need more horses to pull the load effectively to maintain this program and further enhance it.

Thank you.

Mr. FRANK. Thank you very much, Mr. Watkins. I want to thank all three of you for very good testimony because it had the kind of specificity that is helpful to us in considering where we are in the program.

Sometimes we have fairly complex questions and difficulties with separate modes of administering, et cetera. It seems to me that we do have a situation here where quantity is really the question rather than quality, that is, there does seem to be general agreement with a side issue about contracting out civilian conservation area which is really a subsidiary issue but the question is how much.

Everybody seems to agree that this program is being done well, although I do want to ask one question. I gather there was an evaluation done by Mathematica a few years ago which came up with high marks for this program and other subsequent evaluations were very high, and I am told there is now a $600,000 proposal for a further evaluation.

Given what you say and given the tightness of money, I am wondering whether you think this program is in need of another sort of top-to-bottom evaluation as to whether or not it is working well only a couple of years after the Mathematica one was completed.

Mr. ANDROLEWICZ. Mr. Chairman, I personally would like to see the $600,000 placed in the rehab and maintenance area to make

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the centers livable for our corps members and to make sure we can upgrade the vocational equipment when needed and when necessary.

Mr. WATKINS. Mr. Chairman, I am afraid we have been through a period where we seem to continually have to prove the Job Corps Program despite its overwhelming support. We have been through periods of claims of fraud and abuse and other things.

I can only say that we are indeed proving over and over something that has been well established. If it is necessary to further prove this program in order to get the kind of budget that we need, then indeed the Mathematica study would be well worthwhile.

The old study, the previous study did a lot to convince people of what this program is all about, so I am hedging my answer a bit. I would like to see this money go in the program, but if you need this kind of thing to sell Job Corps, then I am for it.

Mr. FRANK. I appreciate that.

My own sense, I must say, is that is some people at OMB who are going to keep hiring contractors until they find somebody to say that the program doesn't work well. I think the medieval concept was invincible ignorance, which is very resistant to new information.

The reason I say this is that there does seem to be a striking consensus here. We are talking about money and, as I understand it, not huge amounts.

First, with regard to the physical equipment, I gather there are really two separate points. One is that we have got a structural problem. We have got some buildings that are in physical disrepair and we are talking about normal maintenance.

Let me ask this question. I think it is good to get all the potential problems out on the table. Given the population that we are dealing with, some people would have had fears that they were people who would have been excessively rough on the buildings. The physical maintenance that you are talking about—has there been in the Job Corps Program any unusual degree of damage or destruction, or are we just talking about the normal wear and tear that you get on buildings?

Mr. WATKINS. Mr. Chairman, we have a center, Glenmont Job Corps Center, in the Albany area. That center was a former seminary. It has one of the most beautiful chapels I have seen in my life. It has stained glass windows that are just hard to describe.

When that center was first established at that site, there was a great deal of concern that these chapel windows would be broken, they are worth a tremendous amount of money. There was talk about covering the windows. We never did. There isn't a broken pane there.

Mr. GAINES. I would like to say a couple of words here.

I think that—first, there are 103 centers throughout the country. Some of those centers were built in the 1920's, and they were buildings that were commandeered and/or bought by DOL. Some of them were rebuilt. Some of them were even new buildings.

I think there is a tremendous difference between centers over these 103 in regard to when they were built and their state of being at that juncture. A typical example is that we have a center in Pittsburgh right at this moment. I believe the building was built

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in about 1910 and it is quietly sinking into the ground. However, we are planning to move that center to another older building. Insofar as what the kids do to the building, I would say it is just your normal kids being there, but it depends on where the facility is and what year it was built. There is a complexity of buildings out there that range anywhere from the 1910's until the current days. That's your problem.

Mr. ANDROLEWICZ. Mr. Chairman, I would like to add, that some of the centers give clear evidence that corps members have actually enhanced the property. Our Potomac Center right here in Washington, DC, for example, looks a lot better today than it did when it was the old youth center or when it was totally unused.

So, the work that corps members do on the center actually, I think, enhances the property.

Mr. FRANK. It sounds like we are in a sort of penny-wise and pound-foolish situation because if you don't do the basic maintenance, you will sooner than otherwise find the building is unusuable and be faced with a much more capital replacement cost.

Let me ask Mr. Androlewicz a question. What is unusual here is that you are coming before us as the contractor saying, in part, "We have a problem because they are not checking up on us enough." I think that is a very healthy thing. We ought to make that clear.

But one of the things I gather there is agreement on is that the reductions in force have reduced the ability of the regional offices, as well as the national office, to service this program from the administrative side.

Now, this meets the model that a lot of people have in mind, which is that the Federal Government will set the standards for the programs, will let the contracts, will hold people to the standards; but the actual administration day-to-day will be done through private contracting with the private sector. This is a model that a number of people who have been critical of bureaucracy have. Without endorsing that model, it is one valid one.

Obviously that assumes, though, that the public sector will do its part of the job. I think it is striking here that we have the private sector partners here saying, "Hey, we are not getting enough support, supervision, et cetera." I gather that is what you are saying in terms of the RIF's which are having a deliterious impact on our ability to perform our part of the bargain, that is, the Federal Government's part.

Mr. ANDROLEWICZ. We feel very strongly that over the last 20 years the success of Job Corps has been truly a team success attributable to all involved parties, including the corps members, the private sector center operators, the Federal Government employees that have the union trades, and the National Association of Homebuilders.

What we have developed over the years has come as a result of working together. I went through the cycle from working in a Job Corps center to being a center director to now being responsible for 10 Job Corps centers throughout the country. I learned a great deal from my counterparts in the Federal Government—the project managers, the regional administrators, the national people who came in and did reviews.

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The reviews are treated more like a management tool than they are an "I gotcha." In other words, someone comes in and takes an independent look. We have never had a review of one of our Job Corps centers that did not help us to improve that center's operation. That is how we look at it—as another management tool.

Mr. FRANK. I have to say here that I am afraid that I see coming on a self-fulfilling prophecy on the part of some, whereby the staffing level that is needed at the Federal level to help this program in the area you just talked about is not being provided. These funds are needed to keep the program, one, physically in shape, and, two, having the educational tools that are needed. Obviously, we don't train these kids for obsolete jobs—but if we don't do a minimal amount, you could then wind up cutting, whereby undercutting the success of the program.

So, it is possible that by underfunding a program, you can make it sufficiently unsuccessful. I don't suggest that is in danger right now, but if we were to project certain trends, it would be.

Let me ask my final question to all three of you. Mr. Androlewicz, you had four points here: no reductions in force in the national or regional offices, which have already been substantially reduced, restoring the staffing to points where they could not take over what you are doing but be cooperative with you; having stability in recruitment; and having—I think recruitment is important because the hardest people to reach are precisely those whom the program really ought to be reaching. If this program is going to work well—and again, I admire what you are saying here because when you are talking about recruitment, the easiest way out would be to do what they call "creaming" in the manpower field. You could just take the people who walk in off the streets, and that would be fine. Recruitment is really the way to reach those who are in most need of this kind of situation.

All those are things you want done.

Now, the House version of this budget, as I understand it, is the administration's figure of $600 million for the Job Corps, which passed on a continuing resolution yesterday, along with a total revision of the criminal code and 400 or 500 water projects and a couple of other essential budgetary items to keep the Federal Government going.

The Senate appropriation had allocated $634 million. The $34 million that the Senate budgeted over the House, I assume would be helpful in accomplishing some of the goals that you have outlined in these four points?

Let us have each of you take a shot at that.

Mr. Gaines?

Mr. GAINES. Are you saying there is a difference between the Senate and the House moneys?

Mr. FRANK. Yes, there is a $34 million difference—the Senate has voted $34 million more than the House for this. I did not see what the Senate did on the continuing resolution. I know the Senate figure had consistently been $634 million, assuming that they picked it up in the continuing resolution yesterday.

Would that be helpful in reaching these four goals that you said you agreed upon?

Mr. GAINES. Yes, I would say very definitely.

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When I started my initial testimony, I indicated that I agreed primarily with the four points that Mr. Androlewicz had mentioned.

I think that the $600 million figure—and I believe that in previous comments and testimony from ETA, which is part of the DOL—they indicated that the $600 million number would be extremely difficult to operate within, even including their existing RIF's. In other words, what I am saying is that it is my understanding that in previous conversations and testimony by DOL that the $600 million figure was extremely tight.

Mr. FRANK. So, in other words the $600 million would exacerbate the current situation, and even at $634——

Mr. WATKINS. Absolutely. Let me see if I can give some specificity to it, Mr. Chairman.

It is my understanding that the $600 million administration budget involves stringent cost reductions, which include the bidding out of the conservation centers, increasing ratios, which would mean less staff, and a number of other cost-cutting measures.

In reality, without taking these measures which would further exacerbate the situation, you are at a figure of $634 million.

May I comment just briefly on your previous question?

Mr. FRANK. Certainly.

Mr. WATKINS. Job Corps—I like to think that we operate our Job Corps centers and don't need over-the-shoulder supervision. I am pretty proud of the the fact that the private sector can go in and do that job, and you don't have to sit there and tell us day to day how to do it.

On the other hand, the program is a complex program. It involves elements that are not at the center level—recruitment, placement, the whole coordination and judicious use of money.

The only way that this is really addressed is the exchange that takes place between project managers and center staff. It takes place with knowledgeable skilled project managers.

Mr. FRANK. In other words, part of what we can get with the proper degree of Federal staffing is an exchange of information from different projects so that the learning process doesn't have to be duplicated every single place. I think that is a very good point. We are dealing with the sort of situation where you can share that burden.

Mr. Androlewicz?

Mr. ANDROLEWICZ. Mr. Chairman, I would like to add to Mr. Watkins' words. The $600 million budget would necessarily reduce the services to corps members. Further, to achieve all the savings that would be necessary in order to operate within that budget, it would be necessary to consider closing a center or two—which would mean serving fewer corps members.

Mr. FRANK. They say they don't want any slack until we reach the point where if you are going to fund it at such a low level, trying to pretend that you can service everybody you now have means that everything will be inadequate, and everybody will be inadequately serviced.

Mr. ANDROLEWICZ. Yes.

Mr. FRANK. I appreciate that. This is pending today. Based on what I have heard and I previously learned, my intention would be

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to write to the conferees on both sides and urge them to appropriate the higher figure. Any of my colleagues that want to join in can do that. We will send that off this afternoon.

[The letter follows:]

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NINETY-EIGHTH CONGRESS

Congress of the United States
House of Representatives
MANPOWER AND HOUSING SUBCOMMITTEE
OF THE
COMMITTEE ON GOVERNMENT OPERATIONS
RAYBURN HOUSE OFFICE BUILDING, ROOM B-349-A
WASHINGTON, D.C. 20515

October 1, 1984

The Honorable William H. Natcher
Chairman, Subcommittee on Labor,
Health and Human Services, and
Education Appropriations
2358 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

When the conferees meet on the Fiscal Year 1985 Labor-HHS-Education appropriations bill, we respectfully urge the House conferees to accept the Senate level of $634 million for the Job Corps program.

As a result of an oversight hearing on the administration of the Job Corps program held by the Manpower and Housing Subcommittee on September 26, 1894, we are convinced that the $600 million level of funding contained in the House-passed bill is inadequate to maintain necessary management and personnel levels. As was testified to at the hearing by companies such as RCA, Teledyne and Singer, contractors who operate Job Corps centers, a level of funding of at least $634 is necessary just to maintain the current level of operations and staffing. The $34 million lower figure in the House-passed bill would require further cuts in personnel in the Job Corps program and would only add to the problems posed by deteriorating facilities and equipment.

The Job Corps program which recently celebrated its twentieth anniversary has had an outstanding record of achievement. However, its continued success hinges on adequate funding and accordingly we strongly recommend that the House conferees accept the Senate level of $634 million for the Job Corps program for Fiscal Year 1985.

Your favorable consideration of this recommendation will be most appreciated.

Barney Frank
Chairman
Manpower and Housing
Subcommittee

John R. McKernan, Jr.
Ranking Minority
Member

John M. Spratt
Member

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Mr. FRANK. Mr. McKernan?

Mr. MCKERNAN. Thank you, Mr. Chairman.

If you add in the supplemental appropriation for 1984, in fact, the $600 million would be less than Job Corps received for 1985 than they received in 1984, which is about $602 million, I think. That further demonstrates that there is no way to perform the same services unless there are significant savings envisioned by somebody in order to implement the program.

We talked a little bit about the RIF's. I wonder if each of you could just comment on your experience as to whether or not any particular regions have been hit harder than others by this reduction. I gather that in the region for New England that, in fact, there has been an increase of a couple of people in the regional office. I wonder what the impact has been in other parts of the country.

Mr. ANDROLEWICZ. As I understand it, the Boston office started at such a low level that getting additional help was an essential step. As to the regions in which we operate, I have seen a reduction in force, in which people who held responsible Job Corps positions were bumped and now are doing something else. We lost valuable Job Corps experience. But I don't think that this has been unique to any one region, or that any one region lost more than another.

We have observed that, in order for a region impeded by a RIF to function, it must revise its priorities. As a result, action on low priority items takes longer, and to that extent our centers perceive the services performed by the regional office as less efficient than they were before the RIF's.

Mr. WATKINS. I would have to say that you have to evaluate the effect. The effect has been uneven in regions, and it has been a combination of reduction of staff and the exchange of experience for inexperience. Some regions have been hit harder, in other words, than others. Accordingly, that has been a difficult problem for them to address.

The numbers are a very difficult figure to come to. In this day of huge deficits and everything else, I recognize the need for reductions. I think what we are trying to do is to say that the regions are in a sublevel position—all of them uniformly. Some are having difficulty in being able to keep up with their workload as it currently is addressed.

It would not take a complete restoration, but it would take a partial restoration, I think, to keep them at a state in which they can maintain the quality of the program.

Mr. MCKERNAN. Does anybody want to add to that?

Mr. GAINES. I don't think I have anything to add. I think they both have pretty much covered it. I have been listening to what they had to say and sort of thinking about it a little bit. There is no doubt that the reductions have been heavy. Everyone is aware of that in all of the regions.

I do feel that ETA has done a heck of a job in regard to minimizing the impact of this throughout this system. I feel very strongly about that. I realize that it has been a heavy problem to come to grips with. I think they have streamlined the system and taken some actions that, in my personal opinion, have helped the system a great deal, and I believe they have lived under this burden and

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with this burden much better than I, frankly, anticipated that they would. I personally have been involved with these programs since the outset back in OEO in 1964, so I have watched it go through every conceivable phase. I have been impressed with their ability to cope with this God-awful thing called RIF.

Mr. McKERNAN. I have one more question.

You all talked about the benefit of reviews from those administering the programs and the interaction being helpful to your programs.

Can you give me an idea of any changes in the review process, the number of reviews, or however that process was implemented before the RIF's and what has happened since the RIF's?

Mr. ANDROLEWICZ. First, the number of personnel on the individual review teams has been reduced. Instead of having, perhaps, six specialists, you might have four or three. Second, some staff members assigned to review may have less experience in Job Corps. As a result, reviews are not as comprehensive or as helpful as they were in the past.

I think the quality has suffered: with fewer people and less work days, review cannot get into the program as well as was once possible.

Mr. WATKINS. In fairness I want to say that the conduct of the reviews, procedurally, and the guides that the review teams use represent a lot of thought and good professional management.

The difficulty is that you have got—as Al has stated—people not familiar with Job Corps in every respect, inexperienced not able to make the adjustment necessary that in 107 centers you have different physical facilities. You often have a different makeup of the corps member population. You have different factors. That is where judgment of the team comes into effect. We have lost that in many respects, and that is what has hurt in the technical reviews.

Mr. McKERNAN. Mr. Gaines, do you want to add anything to that?

Mr. GAINES. No, sir.

Mr. McKERNAN. Let me followup on that. I said that was going to be my last question, but I don't understand why these people are less experienced. If you are talking about RIF's, I don't understand, why——

Mr. ANDROLEWICZ. While I am not fully familiar with civil service practice, my understanding is this: A RIF in some area of ETA could result in a person with more seniority than a person in Job Corps, so they bump into the latter's job, and the person from Job Corps is either bumped out or bumps someplace else in the ETA. Either way, we lose the experienced person in Job Corps.

I have often wondered over the last couple of years why Job Corps staff could not be excepted from this practice, inasmuch as their program was not reduced, as were other programs in ETA. I must assume that civil service rules require that all the ETA staff be treated as one.

I know there were other programs in ETA that were reduced, but I guess the civil service rules require that all the ETA staff be treated as one.

But that is how we would get people from other programs.

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Mr. MCKERNAN. So, what is happening under the way the RIF is conducted is that you are having people who are in ETA but have no particular expertise in Job Corps who end up in the Job Corps evaluation process?

Mr. GAINES. That's right.

Mr. ANDROLEWICZ. Yes, sir.

Mr. MCKERNAN. That's a heck of a situation.

Mr. FRANK. I am going to turn this over to Mr. Spratt. As I do that, I am going to absent myself. I will ask Mr. Spratt to preside. I hope to be able to rejoin the hearing.

I want to say at this point that I am particularly appreciative of you three gentlemen coming here and sharing your experience. I think it has been very helpful. We will at least be able to send a letter about the appropriation, and I think we are also going to look into this question of the next phase of the Mathematica evaluation. I think we may be getting over evaulated and underun as far as things are concerned here.

So, I will ask Mr. Spratt to take over at this point.

Mr. SPRATT [presiding]. Mr. Chairman, I will just keep my seat here and then I will come around when we have the next panel.

First of all, let me thank the three of you because I don't know if you understand the extent to which candor is a premium in this institution and in this city. You have come here and given us something that we sorely need and that is very candid, very honest, very straightforward testimony. It has been extremely helpful.

I want to simply clarify a few things for the record because Mr. McKernan and Mr. Frank have, for the most part, asked the questions that I would have asked.

First of all, do I understand you to be basically in consensus? For example, Mr. Androlewicz led off and he gave four adverse or negative trends.

Is there anyone among the three of you or the two of you who did not make that testimony who disagree with those negative trends, those negative developments?

Mr. GAINES. I don't believe so.

What was your first one, Al?

Mr. ANDROLEWICZ. The RIF's.

Mr. GAINES. I have chatted with my colleagues in the past on this subject. I think that possibly I feel a little stronger. I mentioned this in previous testimony. I feel a little stronger than they do that the steps that ETA has taken in regard to streamlining the system have had its effect on helping out the undesirable effects of the RIF's. I guess I am essentially saying that I am not so sure I agree as strongly as they do in that regard.

Mr. SPRATT. It is a matter of degree, then?

Mr. GAINES. Yes, it is a matter of degree, but certainly the problem is there.

Mr. SPRATT. You would agree that there are fewer expert members of the review teams?

Mr. GAINES. Absolutely, absolutely.

Mr. SPRATT. Would you agree that the level and quality of technical assistance has diminished with the RIF's that have occurred?

Mr. GAINES. I think it has diminished because there have been less people to provide the assistance, and I think that those people

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who are there to provide it, as we just previously discussed, have been moved around from another position in ETA and do not have the expertise that some of these other folks who have been RIF'd out had.

In other words, you can have a situation where somebody is in Job Corps and they put 20 years in but maybe they started when they were 20, so they end up at age 40 and for one reason or another they weren't in the service, you know, and the way the system works anybody can bump them right out even though they did have 20 years service with Job Corps.

Mr. SPRATT. Would you agree, would the three of you agree that there has been a diminution in the quality of recruitment and screening? Is there basic agreement about that, then?

Mr. WATKINS. Yes. That is certainly one point that I didn't address that Al did. I kind of wish I had said it.

There definitely has been. I think that is an example of what happens when you disturb a network. You are going to get that dip, and we are experiencing it now, and it is hurting.

You can translate that from the recruitment activity to the same thing that is happening at the regional offices. We tended to zero in on technical reviews, but I would point out there are a lot of other things that are affected which seem purely administrative—the handling of paperwork, the transmission of communication. These are lagging. This is all involved in the experience of processing. One of the other contractors indicated to me that it has affected their payment schedule. That is of serious concern to the contractors because they put the moneys up front and the repayment on costs is very crucial. That has been reduced.

Another problem is the inability to get approvals in a timely fashion because the people handling this paperwork are new and it is new to them.

There are crucial issues such as repairing the roof because it is leaking. These get unduly delayed, and that is critical.

So, these are problems that are occurring, and they have largely occurred because of less people to handle it and inexperienced people dealing with it.

Mr. GAINES. I think, Herb, you hit it on the head when you said the network has been disturbed. I think that is a key point. I certainly have to agree with that. I had not really thought about that—the network was disturbed as an overall result of this RIF. You can't necessarily point at an individual thing. One of the major disturbances in my mind is this recruitment. Something has gotten slightly out of whack in that degree. In some areas we have no problems with recruitment, and in others we are experiencing problems. I am not quite sure what the cause of it is, but I think it could use certainly some looking into. I am not prepared to address why, but it needs some strengthening.

Would you two agree with that?

Mr. ANDROLEWICZ. Most definitely.

Mr. SPRATT. As I understand what you are saying to these problems it is more than just episodic changes. You see something systemic here that affects, in the words of Mr. Watkins, the ongoing program's effectiveness or, as Mr. Androlewicz said, the continued

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success of the program by the next birthday of the program, whether or not we have a happy celebration.

Let me ask you this. I have read the Mathematica study, and it seems to me not only to come out positively but to develop a good methodology for trying to assess the costs and benefits of the Job Corps Program.

Your own personal anecdotal experiences, your own empirical observations—do they bear out the findings of the study by Mathematica? Do you see the benefits as being substantially measurably greater than the burdens or the costs in this program?

Mr. ANDROLEWICZ. Without question, sir.

We have many years of dealing with these youths, and we've seen the success. We know what the placement numbers are and the types of jobs they have been able to get. And we've enjoyed the direct feedback when, you know, some of the youths have come back and let us know what has happened to them over the years. Without question; I think the investment is well worth it, and the corps members pay it back with interest.

Mr. GAINES. In my empassioned speech earlier on, I think you certainly got the thoughts of myself and the Teledyne Corp. in regard to that specific, but I think being even more direct than the way I put it in my opening remarks, it would appear that the youngster pays back the amount of money that is spent to train him in taxes back to the Government in a period of, say, 3 to 5 years.

For the rest of his life, that is going to be a plus to the Government, so I like to look at it as a loan to that youngster in an indirect fashion to get him started in life and break this darned poverty chain that goes on endless. And these kids are third, sometimes fourth, generation poverty types right from the poverty dole. That is what we mean when we say break the poverty chain. That is what it is all about. I believe very strongly in that, so if you figure 3 to 5 years the cost is paid back by the youngster being out there and being productive and then, God only knows, he can instill within his kids as the generations go on the kind of things he has learned through a program like this, and you have a situation that goes on and on and on. That is breaking the poverty chain. When it starts exponentially to go out this way, Lord only knows, what the real savings are.

Mr. SPRATT. Good point.

Mr. WATKINS. I have been told that Job Corps graduates return a $1.45 on every dollar invested—in taxable income. I think that is pretty good.

Mr. SPRATT. In taxable income alone?

Mr. WATKINS. Yes. That is my understanding. I can check my figures, but that is my understanding—$1.45 for every dollar invested.

One other thing. Tonight there is going to be the 20th anniversary dinner for the 20th year of Job Corps. A hall-of-famer Job Corps member will be designated tonight by Mr. Rell. If you just hear what is said about these hall of famers, you—it would really blow your mind. We have one from our centers who is now Dr. Rhodes and started at the center with less than a high school education. He was in trouble with the law. What a tremendous change in that one instance.

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Those are the extremes. Mathematica addresses, I think, what happens to the bulk of them, and that is much more important.

Mr. SPRATT. Thank you very much for your testimony.

I don't have any further questions.

Our next witness is Mr. Michael Urquhart, president of American Federation of Government Employees, Local 12.

Mr. Urquhart, please proceed.

STATEMENT OF MICHAEL URQUHART, PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, LOCAL 12, ACCOMPANIED BY FRANK COLE, CHIEF STEWARD, EMPLOYMENT AND TRAINING ADMINISTRATION

Mr. URQUHART. Thank you.

Mr. Chairman and members of the subcommittee, I have accompanying me today, Frank Cole, who is the union's chief steward in the Employment and Training Administration.

As you know, I am the president of American Federation of Government Employees, Local 12, which represents employees in the national office of the Department of Labor and the OSHA Review Commission.

It is on behalf of those employees that I am testifying today.

The AFGE welcomes the opportunity to reaffirm our strong support for the Job Corps Program. In a general sense, we are well pleased with the progressive path of the Job Corps Program in recent years under the direction of Mr. Peter Rell. During 1983 the Office of Job Corps achieved noteworthy successes in the areas of fiscal control and procurement management. The scope of responsibilities in this area is both broad and complex. The Office of Job Corps implements its program through the development and issuance of contracts and similar types of agreements with private firms and organizations and with agencies of Federal, State, and local government.

Each year the Office of Job Corps finances and administers nearly 600 such contracts and agreements. This is done both at the national office level and through the 10 Job Corps regional offices. The capabilities of the Office of Job Corps to administer these far-reaching operations has been greatly increased owing to the improved design and application of Job Corps management systems.

These accomplishments can be attributed directly to the capabilities of past and current staff. For the most part, these staff members have a unique combination of technical capabilities coupled with Job Corps Program knowledge that has been developed over a considerable period of time and enhanced by on-the-job experience. Continued successful implementation of these systems for fund accountability will hinge very heavily on continued accessibility to this pool of knowledge.

If the persons who are knowledgeable of these unique systems are displaced, the systems are seriously jeopardized. To some extent this did occur after the 1984 reduction-in-force, downgrading and reorganization process.

The impact of the RIF/reorganization on the Job Corps is greater than the reduction in employment levels indicate due to the fact that the loss of experienced staffers has been much greater. While

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the employment ceiling for the national office was reduced 10 position, there was an actual loss of 20 experienced employees. Of the total of 44 employees on board as of September 1984, 8 are new transfers with no previous experience in Job Corps. Furthermore, there are currently two vacancies which are not filled while experienced employees, formerly in the Job Corps, are assigned to other offices in the Employment and Training Administration and management refuses to reassign them to those vacant positions.

The Department of Labor's own regulations state that such transfers of new employees into the Job Corps can only be made if the new employees can reach a satisfactory performance level in 90 days. This has not been the case.

It is our estimate that it can take as much as a year to develop the knowledge and skills to do the job properly.

The serious displacement of staff in the area of program review does weaken this activity, at least until such time as the new staff has developed the program knowledge needed to do that job.

The situation is even more severe in the regional offices, which is of major concern to AFGE, Local 12. Presently Job Corps regional offices have an average of one and a half staff per center to contract for and administer the operation of Job Corps centers. This is compared to 4.1 staff in 1977. This encompasses a broad range of technical and managerial responsibilities, including the conduct of procurements, monitoring and evaluation of centers, administrative processing, and control of invoices, property, et cetera.

In addition, Federal regional staff must review applications and determine assignments of specific applicants to particular centers, as well as arranging for the transportation of the enrollees from their home communities to the Job Corps centers.

It is not reasonable to expect one and a half staff per center to accomplish all of these responsibilities, plus provide clerical support. In fact, it cannot be done.

It is only through the personal dedication and contribution of personal time outside of work hours that services to corps members have been maintained in recent periods.

It is important to note that the present nature of the work to be performed has changed drastically because Job Corps is now implementing several new policies, including policies of full competition versus sole-source procurement for centers; of full competition for outreach, screening, placement, and support contracts; of closer controls of the management of disturbances and incidents on Job Corps centers, of increased audit coverage; of changing vocational offerings in Job Corps centers, of establishing new facility standards and improving the process of renovating deteriorating facilities; of revising all guidelines and requirements.

While all of these policies and initiatives are well directed, they clearly represent substantial workload increases. Why then, has the staff been reduced from 4.1 regional staff per center to 1.5 staff currently?

The fact remains that the staff reductions, especially those in the regions, make it difficult, if not impossible, to handle the workload increases related to policy changes being implemented or planned.

AFGE is concerned that without an increase in the staff levels of the Job Corps Program in the regions and in all components of the

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national office, but especially in the program review area, there will be a substantial loss in the quantity and quality of services provided to disadvantaged youth the program is mandated to serve.

We ask that at least a temporary increase in ceiling to provide additional staff for Job Corps be mandated by the Congress. An increase of only one-half staff per center represents approximately 54 positions and would be a beginning to ensuring that services to corps members do not deteriorate.

After a period of 2 years, an assessment should be conducted to determine if further restoration of staff levels is needed to maintain quality services. This is the 20th anniversary of a highly successful program addressing this Nation's most severely disadvantaged youth. It is important that the successful operation of this program not be endangered by overzealous wielding of the budget-cutting ax.

The Job Corps Program has also been adversely affected by the procedures for conducting a RIF combined with a reorganization, and the haste with which it was carried out. The workforce in the Employment and Training Administration, many of whom have worked for the agency 15 years or longer, has been severely demoralized by the complete lack of regard shown by management for their interests during the recent RIF. Rather than cooperate with the American Federation of Government Employees, Local 12, to explore ways to reduce the adverse impact, management rushed ahead with its actions without adequate preparation, and without completing consultations and negotiations.

Conducting a reorganization at the same time as a RIF generated enormous confusion and made it next to impossible to monitor the movement of employees from one position to another. The appearance of favoritism in the treatment of some employees, if not the reality, has totally undermined any semblance of employee respect for the Government's personnel practices. Such shabby treatment of its workforce must inevitably have a negative impact on the productivity of the programs.

Further evidence of the lack of adequate planning on the part of management is the absence of any analysis of work load requirements for the positions established in the reorganization. Without such an analysis, the allocation of positions among the various programs in the Employment and Training Administration was arbitrary at best. The fact that proceding in such a manner violated management's own regulations only reinforces Local 12's misgivings about the entire process.

In addition, the reorganization has resulted in the widespread relocation of employees in the Patrick Henry Building. The Job Corps is now spread out in three different locations inside the building, having been previously concentrated on one corridor. Several employees were moved to new offices without phones, and with the dispersal of the offices some phones are being answered by secretaries not in the Job Corps. All of this has had an adverse impact on the ability of employees and clients to communicate with each other.

The AFGE firmly believes that changes are necessary in the RIF regulations if the negative consequences of such reductions in force and reorganizations are to be minimized. Specifically, we recom-

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mend passage of legislation to mandate the exhaustion of alternatives prior to any RIF. And, second, that there be a freeze on all personnel actions, including reorganizations, for a minimum of 90 days before or after the date of the RIF.

Again, I would like to thank the committee for allowing us to testify today. I hope our testimony and the other material we have supplied to you will prove helpful to you in your deliberations.

Mr. SPRATT. Thank you.

Without objection, your entire written statement, along with the attachments, will be inserted into the record at this point.

[Mr. Urquhart's prepared statement follows:]

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American Federation of Government Employees, Local 12

Testimony for the

Job Corps Oversight Hearings

Title IV - Federally Administered Programs, Part B of Public Law 93-300 of October 13, 1982 provides for a Job Corps program within the Department of Labor.

Specially, at Part B - Job Corps' "Statement of Purpose" Section 421 provides for the maintenance of "a Job Corps for economically disadvantaged young men and women which shall operate exclusively as a distinct national program, sets forth standards and procedures for selecting individuals as enrollees in the Job Corps, authorizes the establishment of residential and nonresidential centers in which enrollees will participate in intensive programs of education, vocational training, work experience, counseling and other activities, and prescribes various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps. The purpose of this part is to assist young individuals who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens, and to do so in a way that contributes, where feasible, to the development of national, State and community resources, and to the development and dissemination of techniques for working with the disadvantage that can be widely utilized by public and private institutions and agencies."

In a general sense, AFGE,Local 12 is well pleased with the progressive path of the Job Corps Program in recent years under the direction of Mr. Peter E. Rell.

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During 1983, the Office of Job Corps achieved noteworthy successes in the areas of Fiscal Control and Procurement Management. These successes stem from the development and implementation of substantial improvements to the interrelated systems that are used to: (1) plan and schedule major procurement actions; (2) plan the allocation of appropriated resources; (3) and track the implementation of these plans once they are set in motion.

The scope of the responsibilities in this area is both broad and complex. The Office of Job Corps implements its program through the development and issuance of contracts and similar types of agreements with private firms and organizations and with agencies of Federal, State and Local Government. Each year, the Office of Job Corps finances and administers nearly 600 such contracts and agreements. This is done both at the National Office level and through the ten Job Corps Regional Offices. The capabilities of the Office of Job Corps to administer these far reaching operations has been greatly increased owing to the improved design and application of three Job Corps managment systems: (1) The system for developing and maintaining the annual advance procurement plan/financial operating plan: (2) the Job Corps financial management system; and (3) the Job Corps cost reporting system.

The above accomplishments can be attributed directly to the capabilities of past and current staff of the Division of Program Management and Review. For the most part, these staff members have a unique combination of technical capabilities coupled with Job Corps program knowledge that has been developed over a considerable period of time and enhanced by on-the-job experience. Continued successful implementation of these systems for fund accountability will hinge very

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heavily on continued accessibility to this pool of knowledge. If the persons who are knowledgeable of these unique systems - and they are unique to Job Corps - are displaced, the systems are seriously jeopardized. To some extent this did occur after the 1984 Reduction-In-Force, Downgrading and Reorganization process.

The impact of the RIF/Reorganization on the Job Corps is greater than the reduction in employment levels would indicate due to the fact that the loss of experienced staffers has been much greater. While the employment ceiling for the National Office was reduced 10 positions, from 56 to 46, there was an actual loss of 20 experienced employees. Of the total of 44 employees on board as of September 1984, 8 are new transfers with no previous experience in Job Corps. While the Department of Labor's own regulations state that such transfers can only be made if the new employees can reach a satisfactory performance level in 90 days, this has not been the case in Job Corps. In addition, the following downgrades occurred: GS-14 to GS-12; GS-13 to GS-09; GS-13 to GS-09; and GS-13 to GS-11.

In the area of program review, it would be reasonable to assume that the review of program operations can more effectively be done by persons with a knowledge of the program itself. That may sound simplistic, but the "catch" is that the Job Corps program differs considerably from other ETA/JTPA programs and knowledge gained working on other programs is not readily transferable to the Job Corps. A serious displacement of staff on this function does weaken this activity, at least until such time that new staff have developed the program knowledge needed to do the job.

National Office staff in the program review and fiscal areas are

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actively involved in retrenching after the RIF. Unfortunatly the Regional Offices have not been able to adjust as well without substantially more staffing. This issue is of major concern to AFGE,Local 12.

Presently Job Corps Regional Offices have an average of one and a half staff per center to contract for and administer the operation of Job Corps centers. This encompasses a broad range of technical and managerial responsibilities including the conduct of procurements, monitoring and evaluation of centers, administrative processing and control of invoices, property, etc. In addition, Federal regional staff must review applications and determine assignments of specific applicants to particular centers as well as arranging for the transportation of the enrollees from their home communities to the Job Corps centers. It is not reasonable to expect 1.5 staff per center to accomplish all of these responsibilities plus provide clerical support. In fact, it cannot be done. It is only through the personal dedication and contribution of personal time outside of work hours that services to corpsmembers have been maintained in recent periods.

The immensity of this task in relation to the staff resources provided is even more readily apparent when trends in staffing levels are examined. In 1977, there were 4.1 regional office staff per center. Today there is only 1.5 staff per center.

In addition to the actual staff/center or workload relationship, it is germane and noteworthy that the present nature of the work to be performed has changed drastically because Job Corps is now implementing a policy:

* of full competition versus sole source procurement for centers (competitive procurements give rise to a much greater workload as

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procedures are very time consuming and resultant protest and lawsuits require additional time and effort);

* of full competition for outreach/screening, placement and support contracts;

* of closer controls over the management of disturbances and incidents on Job Corps centers including detailed reviews at the regional and national level;

* of increased audit coverage calling for a heavy workload on the part of program staff to supplment and respond to the work of OIG auditors;

* of changing vocational offerings in Job Corps centers;

* of establishing new facility standards and improving the process of renovating deteriorating facilities;

* of revising all guidelines and requirements.

While all of these policies and initiatives are well directed, they clearly represent substantial workload increases. Why then, has staff been reduced from 4.1 regional staff per center to 1.5 staff currently?

Recent efforts to achieve off-setting efficiencies including decentralization of some functions to centers (e.g. recordkeeping and records retention) and automation of some regional functions represent some work reduction. However, the fact remains that the staff reductions, expecially those in the regions, make it difficult, if not impossible, to handle workload increases related to policy changes being implemented or planned.

AFGE is concerned that without an increase in the staff levels of the Job Corps program in the Regions and in all components of the National Office, but especially in the Program Review area, there will

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be a substantial loss in the quantity and quality of services provided to the disadvantaged youth the program is mandated to serve.

AFGE ask that at least a temporary increase in ceiling to provide additional staff for Job Corps be mandated by the Congress. An increase of only one-half staff per center represents approximately 54 positions and would be a beginning in ensuring that services to corpsmembers do not deteriorate. After a period of two years, an assessment should be conducted to determine if further restoration of staff levels is needed to maintain quality services. This is the twentieth anniversary of a highly successful program addressing this Nation's most severely disadvantaged youth. It is important that the successful operation of this program not be endangered by overzealous wielding of the budget cutting ax.

The Job Corps program has also been adversely affected by the procedures for conducting a RIF combined with a reorganization, and the haste with which it was carried out. The workforce in the Employment and Training Administration, many of whom have worked for the agency 15 years or longer, has been severely demoralized by the complete lack of regard shown by management for their interests during the recent RIF. Rather than cooperate with AFGE, Local 12 to explore ways to reduce the adverse impact, management rushed ahead with its actions without adequate preparation, and without completing consultations and negotiations. Conducting a reorganization at the same time as a RIF generated enormous confusion, and made it next to impossible to monitor the movement of employees from one position to another. The appearance of favoritism in the treatment of some employees, if not the reality, has totally undermined any semblance of employee respect for the government's personnel practices. Such shabby treatment of its

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workforce must inevitably have a negative impact on the productivity of the programs.

Further evidence of the lack of adequate planning on the part of management is the absence of any analysis of workload requirements for the positions established in the reorganization. Without such an analysis, the allocation of positions among the various programs in the Employment and Training Administration was arbitrary at best. The fact that proceding in such a manner violated managements own regulations only reinforces Local 12's misgivings about the entire process.

In addition, the reorganization has resulted in the widespread relocation of employees in the Patrick Henry Building. The Job Corps is now spread out in three different locations inside the building, having previously been concentrated on one corridor. Several employees were moved to new offices without phones, and with the dispersal of the offices some phones are being answered by secretaries not in the Job Corps. All of this has had an adverse impact on the ability of employees and clients to communicate with each other.

The AFGE firmly believes that changes are necessary in the RIF regulations if the negative consequences of such reductions in force and reorganizations are to be minimized. Specifically, we recommend passage of legislation to mandate the exhaustion of alternatives prior to any RIF. And secondly, that there be a freeze on all personnel actions, including reorganizations, for a minimun of 90 days before or after the date of the RIF.

Attachments

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Attachment

Staffing history of Job Corps Regional and National Office staff levels is as follows:

	Staffing Level RO	NO	Centers	Slots
FY 77	253	73	61	22,225
78	239	78	66	25,021
79	205	77	90	33,997
80	228	66	99	36,672
81	222	55	106	42,414
82	161	59	106	40,675
83	161	54	107	40,544
84	151	46	107	40,544

Attachment

FY 1983-84 JOB CORPS STAFFING LEVELS

SUMMARY

National Office	FY'83 ON BOARD EOY	CEILING	FY'84 ON BOARD SEPT. '84
SES	1	1	1
GS-15	6	4	4
GS-14	9	4	4
GS-13	20	9	9
GS-12	5	11	10
GS-11	1	5	4
GS-7-10	4	4	4
GS-5-6	7	7	7
GS-1-4	1	1	1
TOTAL	54	46	44

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Mr. SPRATT. I want to thank you especially for the materials you have supplied our staff and us. They have been extremely useful and helpful in getting ready for this hearing.

I recognize Mr. McKernan, first, for any questions he may have.

Mr. MCKERNAN. Thank you, Mr. Chairman. I have just a couple of questions.

You mentioned in your testimony one of the concerns that I expressed to the last panel about people with little knowledge of Job Corps activities being the one conducting these reviews. The last panel referred to this as being so important to that interaction between the people running the various Job Corps programs and those charged under the act with the administration of the program.

Could you explain a little bit about how the RIF worked and how that did result in people being involved in the Job Corps Program who did not have the expertise that many of the people running the programs thought was necessary?

Mr. URQUHART. Well, I think it is important to understand from the beginning that we did not just have a RIF in the Employment and Training Administration to reduce employment to new ceilings. We also had a reorganization of the entire agency at the same time, which totally changed the number and character of positions throughout the agency.

So, the situation we had was not simply that of the ceiling being reduced and employees were bumping down, but they were bumping into new organizational structures, and, therefore, the number of positions you had in the Job Corps was not the same as the number of positions previously or the character of those positions.

Futhermore, management unilaterally made determinations that certain positions would be kept vacant during the RIF, that is, employees could not remain in those positions or bump into them. There are currently two vacancies in the Job Corps. So, what you had was a situation where, besides the RIF procedures, the playing field on which you were playing was dramatically changed at the same time. That, I think, increased the impact of the RIF on the Job Corps, which resulted in 20 former employees of the Job Corps being transferred to other offices in the Employment and Training Administration or leaving the agency and 8 employees from other parts of the Employment and Training Administration being transferred in there.

Not all of it was the result of the RIF. I don't have the figures here. At the same time, there were numerous, what they call, directed reassignments of people to positions, and I don't have the documentation here to determine out of those eight how many were directed reassignments as opposed to retreating and bumping in the RIF.

Mr. MCKERNAN. How many employees, all told, are in the Job Corps Program? Do you know that?

Mr. URQUHART. In the previous fiscal year there were 56 in the national office. That was reduced to 46. There are currently 44 employees there with 2 vacancies.

Mr. MCKERNAN. You are saying that out of the 56, 20 of them, after all the changes took place, were no longer involved in the program?

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Mr. URQUHART. That is correct. There were 36 employees left, and then there were 8 new transfers in to bring it up to a total of 44.

Mr. MCKERNAN. Mr. Chairman, I have no further questions. But I would like to have the opportunity to file some written questions, both to ETA as well as to Mr. Urquhart to try to get some specific details after people have a chance to review their records.

Mr. SPRATT. Thank you, Mr. McKernan. I think that would be helpful.

One of the questions I was going to ask was, is it possible for you to submit a chart or do you have one with you today showing how, No. 1, the national office and regional offices were reorganized and, two, showing specifically, by job function, who was bumped out and who was introduced into slots, particularly those where new members were introduced without any expertise at all in the Job Corps?

Mr. URQUHART. I would love to be able to present that information to you. We have requested it of management at the Department of Labor. They supplied us with the retention registers, and if you have ever tried to follow retention registers, you know the difficulties in trying to follow all the personnel actions involved.

As I say, it is a tremendously difficult process because you are working with two different organizational structures at the same time.

We will provide you with what we can, but we have been unable to trace all the personnel actions involved.

Mr. SPRATT. Then without objection, the record will remain open to receive whatever material you can supply for our record along those lines, as well as any written responses to any written questions Mr. McKernan might submit to you.

[The material follows:]

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PRIOR TO RIF

PROGRAM PB540 REPORT NO. PB110-EN-03 ORGANIZATIONAL STAFFING PATTERN BY AGENCY As OF 80/03/31 RUN DATE 04/04/03 PAGE

NAME	SOC.SEC.NO	S A	TITLE	OCCUP SERIES	GR/ST	POSITION NUMBER	S E N	S U P	T E N	V / P	SERV COMP DATE	DATE IN GRADE
WALLACE,PHYLLIS V	577-44-7348	1	MGMT SYS ASST	0343	07/09	ETA82399	N	N	1	1	04/12/26	75/06/
KOONCE,BETTY J	243-84-3948	1	MGMT SYS ASST	0343	07/07	ETA81227	N	N	1	1	69/11/07	78/03/
TOTAL A240300000 63												
A240500000 OFC OF JOB CORP												
BELL,PETER E	349-48-7149	1	DIR OFF JOB CORPS	0142	04/04	DLE56234	C	E	3	1	78/08/28	78/08/
HAYMAN,CHARLES R	274-26-4138	1	MEDICAL DIRECTOR	0602	15/00	MA76222	N	Y	1	2	54/09/21	75/06/
RUCKER,JERRY M	484-56-4491	1	PROG ANALYSIS OFC	0345	15/00	ETA83108	C	O	1	2	64/07/02	81/07/
PURVES,RICHARD E	216-32-9718	1	PROG ANALYSIS OFC	0345	14/00	ETA83208	N	O	1	2	53/01/28	69/07/
GREEN JR,HERBERT L	247-43-5371	1	HEALTH PROG SPEC	03018	13/03	ETA76210	N	N	1	2	63/11/17	81/07/
FURST,SHIRLEY A	361-34-7822	1	CONSULTING NURSE	0619	12/06	ETA83287	N	N	1	1	75/05/28	74/11/
STANLEY,ELOISE M	578-70-5117	1	SECY/STENO	0318	05/05	ETA81199	N	N	1	1	69/06/28	80/11/
DARDEN,SANDRA A	578-62-8536	1	SECRETARY/TYPING	0318	07/09	ETA83144	N	N	1	1	65/08/18	77/10/
A240501000 DIV OF PROG DEVELOPMENT SUPP												
CASIANO,INEZ	133-18-4867	1	SUPVY MAN DEVEL SPEC	0142	15/00	ETA74589	N	N	1	1	65/09/26	68/08/
HERBERT,GERARD M	185-09-7486	1	SUPVY ED SPEC	1710	14/00	MA76220	N	Y	1	2	61/10/03	71/08/
WRIGHT,SAMUEL L	251-36-3799	1	EDUCATION SPECIALIST	1710	13/09	ETA79150	N	N	1	2	65/01/08	67/09/
MATHEWS JR,FLEMING M	531-14-0738	1	MANPR DEVEL SPEC	0142	13/09	ETA82264	N	N	1	3	46/08/29	71/03/
EMMITT,ROBERT J	526-40-8154	1	EDUCATION SPECIALIST	1710	13/09	ETA79150	N	N	1	1	69/04/30	71/08/
PLUMMER JR,JOHN D	143-18-1471	1	MANPR DEVEL SPEC	0142	13/08	ETA8292	N	N	1	2	64/06/10	71/10/
POLLARD,MAURICE T	427-28-2899	1	MANPR DEVEL SPEC	0142	13/09	MA76210	N	N	1	2	61/04/11	72/05/
SULLIVAN,ARLON E	525-48-9418	1	EDUCATION SPECIALIST	1710	13/10	ETA78843	N	N	1	1	59/05/28	78/11/
BROWN,VELMA S	579-58-5643	1	MANPR DEVEL SPEC	0142	12/07	ETA8435	N	N	1	1	56/04/24	76/12/
TERRY,ELIZADETH L	579-64-2141	1	MANPR DEVEL SPEC	0142	12/09	ETA76843	N	N	1	1	49/05/28	78/08/
KELLER,BETTIE A	238-58-9877	1	SECRETARY/TYPING	0318	06/07	ETA83290	N	N	1	1	70/03/17	80/10/
CLARK,PHYLLIS	579-62-1393	1	SECRETARY/TYPING	0318	05/05	ETA81287	N	N	1	1	74/09/19	81/09/
A240502000 DIV OF PROG REV												
THOMPSON,VIOLET L	398-54-8712	1	PROG ANALYSIS OFC	0345	15/00	ETA83297	N	Y	1	1	62/06/13	73/08/
LOWE,DANIEL L	249-32-3305	1	PROG ANALYSIS OFC	0345	14/00	ETA83294	N	Y	1	2	61/02/24	78/12/
PUTERBAUGH,STEVEN K	214-48-6288	1	PROG ANALYSIS OFC	0345	14/00	ETA83158	N	Y	1	2	69/10/22	79/09/
BAXTER,GILBERT	387-46-8448	1	BUDGET ANALYST	0560	13/10	ETA8361	N	N	1	2	54/07/25	71/07/
NICKSTROM,PAUL W	384-46-6439	1	PROGRAM ANALYST	0345	13/05	ETA7873	N	N	1	1	70/06/28	77/09/
MAYRONNE-PIERCE,DIANE V	229-72-4918	1	PROGRAM ANALYST	0345	13/03	ETA83137	N	N	1	1	71/08/19	78/02/
AMOS,JOHN M	311-32-7488	1	PROGRAM ANALYST	0345	13/07	ETA7873	N	N	1	2	66/02/07	74/05/
ABRAMSON,ERWIN L	096-20-9113	1	COST ACCNT	0510	13/03	ETA78207	N	N	1	4	73/03/21	78/09/
DISHMAN,JOAN P	578-46-5775	1	BUDGET ANALYST	0560	11/06	ETA8439	N	N	1	1	57/04/28	72/01/
BEAL,WILLIE L	579-24-8525	1	STATISTICAL ASST	1531	07/10	ETA8296	N	N	1	1	48/08/03	72/10/
FEDERSON,HENRY L	317-40-3060	1	STATISTICAL ASST	1531	06/10	MA74589	N	N	1	1	64/04/14	72/10/
TURNER,TERITA D	578-66-3681	1	SECRETARY/TYPING	0318	05/05	ETA81335	N	N	1	1	74/10/01	80/08/
SONELL,VERONICA S	579-64-5372	1	STAT CLERK/TYPING	0301	04/07	MA76333	N	N	1	1	71/02/28	74/05/
A240503000 DIV OF PLANS&PROG												
SMITH JR,ERNEST H	224-16-9671	1	SUPVY MAN DEVEL SPEC	0142	15/00	ETA83298	N	Y	1	2	48/11/29	71/08/
BLACKBURN JR,JAMES	578-34-6411	1	MANPR DEVEL SPEC	0142	14/00	ETA7815	N	N	1	2	61/08/20	68/05/
SURGESS,JOHN B	092-28-6345	1	SUPVY MAN DEVEL SPEC	0142	14/00	ETA83299	N	Y	1	1	55/12/16	71/08/
JEROME,VINCENT J	822-05-5776	1	MANPR DEVEL SPEC	0142	14/00	ETA82103	N	O	1	2	60/11/13	76/03/

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PROGRAM PB348 REPORT NO. PB110-84-03 ORGANIZATIONAL STAFFING PATTERN BY AGENCY AS OF 84/03/31 RUN DATE 84/04/03 PAGE 8

NAME	SOC.SEC.NO.	S A	TITLE	OCCUP SERIES	GR/ST	POSITION NUMBER	S E N	S U P	T E N	V / P	SERV COMP DATE	DATE IN GRADE
DANIOGELIS,THOMAS	074-24-7201	1	MANPR DEVEL SPEC	0142	14/08	ETA7833	N	0	1	2	84/11/28	78/08/2
GARRETT,CALVIN C	218-20-1298	1	SUPVY MAN DEVEL SPEC	0142	14/08	ETA82104	N	Y	1	2	54/05/04	80/02/1
CLARK,PAMELA H	222-64-2020	1	MANPR DEVEL SPEC	0142	13/05	ETA7834	N	N	1	1	67/08/23	78/05/1
GULLEDGE,JANICE L	226-68-2642	1	MANPR DEVEL SPEC	0142	13/05	ETA82108	N	N	1	1	70/02/23	78/05/2
SMITH,MARGARET C	411-40-7827	1	MANPR DEVEL SPEC	0142	13/05	ETA7854	N	N	1	1	68/11/12	78/07/3
LEE,MINSTON H	491-30-3365	1	MANPR DEVEL SPEC	0142	13/06	ETA82101	N	N	1	2	58/10/09	78/10/2
POLLACK,SUSAN E	099-56-4121	1	MANPR DEVEL SPEC	0142	13/05	ETA82108	N	N	1	1	76/09/14	80/09/2
WILLIAMS,KENNETH R	418-46-1288	1	MANPR DEVEL SPEC	0142	12/10	ETA82205	N	N	1	2	64/08/26	78/10/0
MEDINA,JUAN E	324-56-6735	1	MANPR DEVEL SPEC	0142	12/06	ETA82205	N	N	1	2	69/04/19	76/10/1
JOHNSON,SHARON M	577-72-5352	1	SECRETARY/TYPING	0318	11/01	ETA8424	N	N	1	1	68/04/04	77/02/1
JACKSON,GENEVA E	577-52-1173	1	SECRETARY/TYPING	0318	04/08	ETA81240	N	N	1	1	57/02/13	78/03/3
BURGESS,VIRGINIA M	103-20-2201	1	SECRETARY/TYPING	0318	03/10	ETA82105	N	N	1	1		

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The 2 vacancies are a result of individual accepting repromotions (both to GS-13) in other components of ETA.

Asterisked positions are staff who bumped in during RIF from other ETA offices.

*Newly assigned to Job Corps
@assigned to Job Corps - repromoted
&assigned elsewhere
..vacancies
↓downgrades (RIF)

OFFICE OF JOB CORPS

POST-RIF

DIRECTOR SES-142-4, Pete Hall
Secy/Steno GS-318-08 (Vacant) Elaine Stanley Supervisory
Secy/Typing GS-318-7, Sandra Darden
& Program Analyst GS-345-13, Clay Adams

DIVISION OF PROGRAM PLANNING AND DEVELOPMENT

Supervisory MDS GM-142-15
Hunter Smith
Secretary/Typing GS-318-06
Geneva Jackson

HEALTH SERVICES UNIT

Medical Director
GM 602-15
Charles Hayman
Consulting Nurse
GS-610-12
Shirley Turot

EDUCATION AND ENROLLEE SUPPORT UNIT

Supv. Ed. Spec. GS-1710-14
Carry Herbert
Secy/Typing GS-318-05
~~Elaine Stanley~~ Geneva Jackson

Ed. Spec. GS-1710-13
Gene Sullivan
Ed. Spec. GS-1710-13
Sam Wright
MDS GS-142-13
John Plummer
MDS GS-142-12
Velma Brown
MDS GS-142-12
Ken Williams
MDS GS-142-12
Libby Terry
@MDS GS-142-11
Steve Abramson VACANT
↓Ed. Spec. GS-1710-11
Bob Smith

NATIONAL PROGRAMS AND PLANNING UNIT

Supv. MDS GM-142-14
John Burgess
Secy/Typing GS-318-05
Virginia Burgess

@ MDS GS-142-13
Dan Cox
MDS GS-142-13
Winston Lee
& Program Analyst GS-345-12
Paul Milam
MDS GS-142-12
@ Dan Lowry
↓MDS GS-142-12
Juan Medina
& MDS GS-142-12
Shirin Herndon
↓Program Analyst GS-345-09
Jan Gulledge

DIVISION OF PROGRAM MANAGEMENT AND PROGRAM REVIEW

* Program Analysis Officer GM 345-15
Bob Dickmann
& Secretary/Typing GS-318-06
Ella Dickens

PROGRAM REVIEW

Program Anal. Officer GM 345-14
Tom Danigellis
Secy/Typing GS-318-05
Phyllis Clark

Program Analyst GS-345-13
John Amos
Program Analyst GS-345-13
Mark Green
& Program Analyst GS-345-12
Rose Jacod
@Computer Sys. Anal. GS-334-12
Pete Brunner VACANT
& Program Analyst GS-345-11
Gaynell Gunn
Stat. Asst. GS-1331-06
Henry Federson
Stat. Clerk GS-7331-04
Veronica Sowell

PROGRAM MANAGEMENT

Program Anal. Officer GM345-14
Steve Puterbough
Secy/Typing GS-318-05
Terita Turner

Budget Analyst GS-560-13
Gil Baxter
Cost Accountant GS-510-13
Lan Abramson
& Program Analyst GS-345-12
Jennie Latino
* Program Analyst GS-345-12
Peggy McClow
Budget Analyst GS-560-11
Joan Dishman
↓Procurement Analyst GS-1102-09
Susan Pollack

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Office of Job Corps
National Office/ETA

REVISED 4/19/82

POST-RIF

Director's Office			
Director, Job Corps	SES-142-4		Peter E. Rell
Program Analyst	GS-345-13	ETA 84-246	Clay Adams ✓
Secretary (Stenography)	GS-318-08	ETA 81-199	~~Vacant~~ Eloise Stanley
Secretary (Typing)	GS-318-07	ETA 81-66	Sandra Darden
Division of Program Management and Program Review			
Program Analysis Officer	GM-345-15	ETA 82-97	Robert A. Dickmann ✓
Secretary (Typing)	GS-318-06	ETA 81-310	Ella Dickens ✓
Program Review			
Program Analysis Officer	GM-345-14	ETA 82-94	Tom Danigellis
Secretary (Typing)	GS-318-05	ETA 82-95	Phyllis Clark
Program Analyst	GS-345-13	ETA 78-73	John Amos
Program Analyst	GS-345-13	ETA 84-264	Herb Green
Computer Specialist	GS-334-12	ETA 84-265	~~Page Brunner~~ VACANT reassigned
Program Analyst	GS-345-12	ETA 84-263	Rose Jared ✓
Program Analyst	GS-345-11	ETA 84-276	Gaynell Gunn ✓
Statistical Assistant	GS-1531-06	ETA 84-107	Henry Federson
Statistical Clerk (Typing)	GS-1531-4	ETA 84-108	Veronica Sowell
Program Management			
Program Analysis Officer	GM-345-14	ETA 83-138	Steve Puterbaugh
Secretary (Typing)	GS-318-05	ETA 83-135	Terita Turner
Budget Analyst	GS-560-13	ETA 83-61	Gil Baxter
Cost Accountant	GS-510-13	ETA 78-207	Len Abramson
Program Analyst	GS-345-12	ETA 84-134	Jennie Latino ✓
Procurement Analyst	GS-1102-09	ETA 84-282	Susan Pollack
Program Analyst	GS-345-11	ETA 84-266	Peggy McClow ✓
Budget Analyst	GS-560-11	ETA 84-39	Joan Dishman

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Division of Program Planning and Development

Supvy. Manpower Devel - ment Specialist	GM-142-15	ETA 84-78	Hunter Smith
Secretary (Typing)	GS-318-06	ETA 84-279	Geneva Jackson
Health Services Unit			
Medical Director	GM-602-15	MA 76-222	Charles Hayman
Nurse Consultant	GS-610-12	ETA 84-267	Shirley Furst
Education and Enrollee Support Unit			
Supvy. Education Specialist	GM-1710-14	ETA 84-245	Gerry Herbert
Secretary (Typing)	GS-318-05	ETA 84-280	~~Barbara Stanley~~ Barbara Smith Retired by Agency
Education Specialist	GS-1710-13	ETA 78-51	Gene Sullivan
Education Specialist	GS-1710-13	ETA 79-150	Sam Wright
Manpower Development Specialist	GS-142-13	ETA 82-92	John Plummer
Manpower Development Specialist	GS-142-12	ETA 84-33	Velma Brown
Manpower Development Specialist	GS-142-12	ETA 84-271	Libby Terry
Manpower Development Specialist	GS-142-12	ETA 84-273	Ken Williams
Manpower Development Specialist	GS-142-11	ETA 84-272	~~Steve Aaronson~~ VACANT (reprimanded reassigned)
Education Specialist	GS-1710-11 downgraded from GS-13	ETA 84-274	Bob Emmitt
National Programs and Planning Unit			
Supvy. Manpower Development Specialist	GM-142-14	ETA 82-99	John Burgess
Secretary (Typing)	GS-318-05	ETA 84-281	Virginia Burgess
Manpower Development Specialist (2 positions	GS-142-13	ETA 82-100 ETA 81-101	Dan Cox ✓ Winston Lee
Program Analyst	GS-345-12	ETA 84-277	Paul Milam ✓
Manpower Development Specialist	GS-142-12 Given a Temporary (detail) GS-14 level and yet downgraded from GS-14	ETA 82-102	Dan Lowry Program Review Team Chief
Manpower Development Specialist	GS-142-12	ETA 82-205	Juan Medina
Manpower Development Specialist	GS-142-12	ETA 84-278	Ghirin Herndon ✓
Program Analyst	GS-345-09 downgraded from GS-13	ETA 84-283	Jan Gulledge

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Mr. SPRATT. You mentioned a regulation of the Department of Labor or maybe it is of the ETA which requires that any employee who makes a lateral transfer or a transfer into a slot where someone is bumped must be able to measure up within 90 days.

Could you cite that particular regulation?

Mr. URQUHART. It is the Department of Labor supplement, subchapter 2 to FPM 351, section B-7-A.

Mr. SPRATT. Do you have the text of it there? Could you briefly read it?

Mr. URQUHART. I do not have the actual wording of the text here. I can supply that for you.

Mr. SPRATT. The essence of it, however, is that anyone who bumps into a position must be able to meet the requirements of that position within 90 days?

Mr. URQUHART. Right. Must be able to reach a level of satisfactory performance within 90 days.

Mr. SPRATT. OK. The record, without objection, will remain open to receive the exact wording of that regulation.

[The material follows:]

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(6) Differences in work schedules among other than full-time employees who would otherwise be assigned to the same competitive level do not constitute a basis for establishing separate competitive levels.

(7) Exceptions

(a) More than one competitive level may be established for positions having the same class title when such positions have special or additional qualification requirements (experience, training, skills and abilities as approved by DPM) which are essential in order for a new incumbent to be able to reach a level of satisfactory performance within a relatively short period (e.g., 90 days or less) after entering the position.

(b) In rare instances, positions classified with different class titles may constitute a competitive level when the jobs are so similiar in all important respects that the incumbents thereof are interchangeable without significant training and without unduly interrupting the work program. However, when positions with different class titles appear to belong in the same competitive level, this may be an indication that some of the positions are incorrectly classified and that unnecessary titles are being used. If this proves to be so, then some or all of the positions determined to be in the same competitive level must be reclassified so that all have the same class title.

On the other hand, if separate class titles are justified and the positions are still determined to belong in the same competitive level, an explanation of the reasons should be maintained for the record and be available for review by anyone who requests it.

c. Competitive Level Coding System

(1) The prescribed uniform system defined below is applicable Department-wide for the coding of competitive levels.

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Mr. SPRATT. Yes, Mr. Urquhart?

Mr. URQUHART. That is also included in the performance appraisal standards—that you can be appraised within 90 days after a 90-day period in the job.

Mr. SPRATT. Thank you very much for your testimony and for coming and for your submissions for the record and for your assistance prior to the hearing.

Mr. URQUHART. Thank you.

We will be happy to answer any further questions you put to us.

Mr. SPRATT. Thank you. You may have some.

The next witnesses then are Mr. Frank Casillas, Assistant Secretary for Employment and Training of the U.S. Department of Labor, and Mr. Peter Reli, Director of the Job Corps.

Mr. Casillas, you may proceed with your testimony in any manner you choose. We will accept, without objection, your printed, prepared testimony for the record. You can summarize it; you can embellish it; you can do anything you please in order to present your remarks.

STATEMENT OF FRANK CASILLAS, ASSISTANT SECRETARY FOR EMPLOYMENT AND TRAINING, U.S. DEPARTMENT OF LABOR, ACCOMPANIED BY PETER RELL, DIRECTOR, JOB CORPS

Mr. CASILLAS. Mr. Chairman, I think if it is all right with you I would like to read the testimony.

Mr. SPRATT. That is completely agreeable.

Mr. CASILLAS. Mr. Chairman and members of the subcommittee, I appreciate the opportunity to appear before you today to review the Department of Labor's administration of the Job Corps Program and the measures we are taking to improve it.

I would like to begin with a brief overview of the Job Corps Program, then discuss recent developments in the program, focusing on actions we have taken to address problems we have found, and conclude by responding to specific questions that were raised in your letter of invitation.

Mr. Chairman, like all training and employment programs, the Job Corps is committed to increasing the employment and earnings of those it serves. However, the Job Corps is unique in several key ways:

First, the Job Corps targets the most severely disadvantaged youth.

Second, the Job Corps provides a comprehensive array of services to all enrollees, including: vocational training, remedial education, health care, counseling, and other services.

Third, the Job Corps is, with only limited exception, a residential program.

Through 107 Job Corps centers, the program provides 40,544 training service years annually. The typical Job Corps enrollee is an economically disadvantaged 18-year-old who is a high school dropout and reads at the sixth grade level. He or she comes from an environment characterized by cultural deprivation, a disruptive home life, or other disorienting conditions impairing the youth's ability to successfully participate in other types of education or training programs. Sixty-three percent of Job Corps enrollees are

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male, 71 percent are minority, and 75 percent have never been employed full time. In the current fiscal year, reports indicate that approximately 75 percent of the corps members leaving the program are achieving positive outcomes, with 59 percent of the terminees entering unsubsidized employment.

Obviously, given the nature and intensity of its services, the Job Corps is an expensive program. We estimate that, for program year 1984, the average cost per service year will be $14,648; this compares with an estimated $13,723 for fiscal year 1983.

For program year 1985, we have proposed $600 million for the Job Corps. This funding, coupled with several cost-saving initiatives designed to yield $34 million in savings, will be adequate to maintain current service levels.

In the late 1970's, the Job Corps undertook a major expansion, nearly doubling in size. The administrative and oversight capacities of the program do not appear to have kept pace with this expansion and problems developed on several fronts. From the outset of this administration, therefore, we have devoted substantial attention to rectifying the deficiencies in the overall administration and accountability of the Job Corps. Although these efforts are not yet complete, substantial progress has been made.

One of our first initiatives was to overhaul completely the Job Corps procurement system to provide a set of checks and balances that minimize the potential for abuse. We established standardized procedures for all procurement actions and clearly defined staff responsibilities in the procurement process. Major emphasis was placed on utilizing the competitive process in procurements.

Let me briefly summarize several other steps that we have taken:

To improve financial management systems, we established a unified budgetary structure for planning and tracking Job Corps costs. We strengthened accountability through the development of automated systems, revision of reporting requirements, and utilization of the unified budget system in planning, internal control, and cost reporting.

A comprehensive audit program was implemented to eliminate a backlog of unaudited Job Corps contracts. The Department is now providing audit coverage—including audit resolution and debt collection activities—for all major functional areas.

We have developed performance standards for the Job Corps. Initial standards were put in place in June and are being incorporated into the procurement process for contract centers.

During the last year, new procedures were implemented governing center operators' prevention, reporting, and resolution of significant incidents.

We completed a comprehensive review of all vocational training programs to determine their effectiveness and to identify high growth occupations which will offer increased placement potential. We are now in the process of implementing vocational changes on a center-by-center basis.

Finally, we are developing improvements in our system for identifying and addressing facilities' needs.

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During the coming year we will continue to improve our fiscal control and management systems, including revising all administrative publications and issuances.

The changes that we have implemented have enabled us to restrain the growth of operational unit costs; in real terms, we have reduced them.

Rising program costs continue to be of major concern, however. As noted earlier, cost per service year is projected to rise to $14,648 in the 1984 program year. In addition to expenditures for operations, there are significant funding requirements for capital expenditures to maintain and assure the safety and health of the corps members.

Mr. Chairman, at this time I would like to respond to specific questions raised in your letter of invitation. First, you asked whether the budget and staffing levels for the Job Corps are sufficient. My answer to both is yes. As I mentioned earlier, our fiscal year 1985 budget will maintain the enrollee capacity at the level of 40,544 service-years. To accomplish this in the face of rising costs, some cost-saving measures will be necessary. Specific measures we have proposed include: reducing the costs of operating civilian conservation centers, limiting capital expenditures for facility construction and rehabilitation, and increasing overall productivity through more efficient use of center resources. Even with these efficiencies, however, the cost per service year will continue to increase and Job Corps will remain one of the most expensive training programs in the country.

With regard to staffing levels, we have provided the subcommittee detailed information on national and regional office Job Corps staffing in recent years. Currently, the Job Corps is authorized 151 positions in the 10 regional offices and 46 positions in the national office. The actual number of staff on board is slightly below these levels. We are, however, actively recruiting to fill these vacancies.

We are confident that these staffing levels are sufficient to carry out effectively all of our responsibilities in administering the program. It should be kept in mind that other offices of the Employment and Training Administration and the Department of Labor provide additional support in administering the program, and that these staff are not reflected in the figures I have provided you. For example, ETA's Office of Program and Fiscal Integrity handles investigations and audit closeouts relating to the program. Our Comptroller's office provides fiscal control support to the program, and our Office of Acquisitions and Assistance reviews regional procurements and handles national office procurements for the Job Corps.

Outside of ETA, other Department of Labor agencies perform important functions relating to the program. The Office of the Assistant Secretary for Administration and Management is responsible for safety and health reviews of Job Corps centers. The Office of the Inspector General conducts audits and investigations of the Job Corps.

In your letter you asked about regional office and Job Corps center reviews. The national office conducts an operational review of each regional office once every 2 years; these regional office reviews involve five or six staff members. Regional offices conduct an

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onsite review of each Job Corps center once a year. Typically, five to eight staff members are sent on these onsite reviews. These numbers have remained the same over the past 5 years.

Finally, you asked that I describe Job Corps application review procedures. Each Job Corps applicant is individually interviewed by a screening agency to determine the applicant's eligibility and capacity and motivation to participate in the program. The screening agencies include State job service offices and private contractors with expertise in dealing with youth. Job Corps provides screeners with detailed instructions regarding verification of the enrollee's qualifications. This may involve contacting local schools, neighbors, juvenile authorities, health facilities, court records, and parole and probation authorities. Applications of potential enrollees that are questionable because of health or past behavioral problems must be submitted to the Job Corps regional office for review and approval. The Job Corps regional office has access to professional health and mental health staff who are utilized in reviewing these applications, when appropriate, and a determination is made by the regional director whether or not to accept these applicants.

The major criteria used in screening applicants for entry into the Job Corps are age, family income, past behavior, motivation, health, and parental consent, if the applicant is a minor.

Mr. Chairman, this concludes my prepared statement. At this time my colleague and I would be pleased to answer any questions that you and other members of the subcommittee may have.

Mr. SPRATT. Thank you very much.

Mr. McKernan?

Mr. MCKERNAN. Thank you, Mr. Chairman.

I would like to hear your explanation of some of the concerns that were expressed here earlier about the RIF and accompanied by a reorganization which resulted in a number of people being in a position at the Job Corps where they did not have the expertise that people had had before all of this reorganization and RIF. Would you like to comment on that?

Mr. CASILLAS. Mr. McKernan, I came on board in May, so for all practical purposes the RIF had been completed. However, I did look into it immediately and determined that the RIF'ing, in the case of Job Corps, was not as extensive as in the remainder of the agency that I run. There was a situation where people were brought in, and some would like to state that they were inexperienced. However, I remind you that the regulations for RIF'ing require somebody coming into a specific job to at least be qualified for that job. So, the overall qualifications were there for the people coming in.

It is true that they were not as experienced as one would like, but I would like to state that Job Corps has in place and has had in place for some time an excellent training program. It is an ongoing program. As I understand it, it has even been beefed up more recently to enable those people to quickly come on board and get up to speed.

So, getting back to your question, I see no problem except for a slight bump, of affecting immediate service, since these people will eventually be qualified through training.

Mr. MCKERNAN. Are there any more RIF's planned?

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Mr. CASILLAS. The answer is negative.

Mr. MCKERNAN. As we were preparing for this hearing, we realized that through some of our conversations with people in your operation, as well as in your testimony, that 63 percent of the people in the Job Corps Program are male.

Has there been any effort to increase the number of females in the program?

Mr. CASILLAS. Mr. McKernan, since being on board in May and following my style of management, I immersed myself completely by going out where the action is. I have probably hit 30 States so far in reviewing JTPA and the Job Corps. I have met with the Governors and the State liaison people, and I have visited four Job Corps centers. I visited the one in Sacremento. I visited the one in Miami. I visited the one in Los Angeles and one in Laredo, TX.

I can assure you that the programs are excellent programs, and I am very impressed with Job Corps as an overall program.

In terms of issues that I asked to be briefed on, one of the problems is, as you have indicated, the ratio of males to females being higher than we would like. We have instituted some programs through Mr. Rell's office to try to alleviate this problem. We are making a special effort to increase the ratio of female enrollees.

Mr. MCKERNAN. Finally, if you could just talk about—since one of the reasons for the Job Training Partnership Act was to get more interaction between not only the Federal Government and the private sector but the State governments and local governments as well—whether or not you have noticed any of the States or communities picking up the Job Corps model-type program as part of the JTPA.

Mr. CASILLAS. Mr. McKernan, as you are aware, title II-A of JTPA provides for training, which includes youth. As a matter of fact, the requirements are that at least 40 percent of the funding be used for youth training. We find that there is kind of an overlap between serving the youth in the Job Corps Program and that of title II-A.

In my travels and in talking to many in the last few months—SDA's and State people—I find that there has not been a whole lot of coordination between the title II-A SDA people and the Job Corps.

I personally would like to see—and I think there is a vehicle there whereby there could be—cross fertilization between the SDA, perhaps doing outreach, and intake into the Job Corps. We do have, as you aware, fixed assets involved in Job Corps—$600 million is the funding. They have excellent programs. We think that because of the fixed nature that there are some aspects that could be taken advantage of by title II-A youth.

I am going to propose, and encourage, some cross fertilization and coordination between the SDA, title II-A, and the Job Corps. That is what I am going to be doing.

Mr. MCKERNAN. I have no further questions, Mr. Chairman.

Mr. SPRATT. Thank you, Mr. McKernan.

Mr. Casillas, thank you for your testimony.

You have expressed admiration for the Job Corps Program. Is it your opinion, having studied it thus far, that it does demonstrate a

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payback, that the Government does have a positive return from its investment in this program?

Mr. CASILLAS. Yes, sir, Mr. Spratt. As I have said, I visited four of them. I have met and talked with people running the programs. I have talked to a lot of the participants, the enrollees, the corps members, and I am impressed with the kind of programs that are installed at the Job Corps. The combination of remedial training, vocational training, working at one's own pace, represents a different approach from the regular school system and is impressive. These are youth that I am convinced will succeed only through that kind of a program. I am very proud that we have the Job Corps in place today for these kinds of youth.

Mr. SPRATT. In preparation for this hearing I read some studies and histories of the Job Corps, some of them journalistic. It seems to tell a story of a program that began idealistically in which those running the program learned a lot of things the hard way, and the expertise was gathered sometimes at great cost to the Government, and there were starts and misstarts.

But it seems that we have achieved a level of understanding of the problem and that the program is working now and that it has bottomed out and we have developed the human technology and expertise to run the program.

Is that your assessment also?

Mr. CASILLAS. Yes, sir, Mr. Spratt, that is my assessment.

Mr. SPRATT. What is your prior experience? Have you had any previous experience with Job Corps or with work training programs?

Mr. CASILLAS. I would like to spend a couple of minutes and give you my background.

Mr. SPRATT. Sure.

Mr. CASILLAS. I was born in Mexico, but I came to the country quite young. I got an engineering degree from Purdue University. Following Purdue, I went to work for large corporations, for the most part—Standard Oil of Indiana, as an engineer; General Electric in the computer field; and recently the Allied Corp.; and in the last couple of years I have had my own consulting firm in microprocessors and computers in general.

I consider myself extensively qualified in management techniques, but I have also, in the area of my career, taught a couple of years at Purdue University in mathematics. I have been involved in a number of organizations relating to youth. I am a member of the Council for Minority Scholarships sponsored by the President's Council for Minority Engineering Scholarships.

So, I think I have got the qualifications, and basically I want to bring them to your attention to tell you where I am coming from.

Mr. SPRATT. I think that is very helpful.

One of the things that concerns me is the statement made by Mr. Watkins that the network has been disturbed.

Mr. CASILLAS. I am not familiar with Mr. Watkins.

Mr. SPRATT. The gentleman who testified earlier, Mr. Herb Watkins. I wonder if you were in the room when he testified.

Mr. CASILLAS. No, I wasn't.

Mr. SPRATT. I beg your pardon. I thought you were.

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What he effectively said—summing up a number of remarks that the three of them on that panel had made—was that the network has been disturbed, that there has been an ethos expertise created here that has been learned over a period of time, summed up, I suppose, in the word called judgment that is not an easily transferable skill. It is not an acquired thing; it is something that we just can't pick up in 90 to 120 days. This network of experience and expertise has been broken, has been disturbed by the RIF's; it has not just been a rearrangement; it has been a change not just in number but in quality.

That is our concern. That is what we are probing today. That is the purpose of an oversight hearing.

You share that because you have been in management before, and you don't want to cut muscle; you want to cut fat.

Mr. CASILLAS. Absolutely.

Mr. SPRATT. On page 2 of your prepared testimony you say:

> The Job Corps in the late 1970's undertook major expansion, nearly doubling in size. The administrative and oversight capacities of the program do not appear to have kept pace with this expansion and problems developed on several fronts. From the outset of this Administration, therefore, we have devoted substantial attention to rectifying the deficiencies in the overall administration and accountability of the Job Corps.

Do you have records, or do you know, there to indicate what size of administrative staff there was in Job Corps in 1978, the late 1970's period that you were speaking of?

Mr. CASILLAS. Mr. Spratt, I have numbers going back only to 1980 in front of me—when we had a total staffing of 294 in Job Corps. As I indicated in my statement, currently we are staffing for 197 total for 1984. So, I only go back to 1980.

Mr. SPRATT. The only reason I was pursuing that time period was that you had mentioned that time period—the late 1970's.

My numbers indicate 317 in the regional offices and in the national office—239 in the regional offices in 1978 and 78 in the national office.

Do you know what your administrative staff is today? I presume you do. It is 151 in the regions and 44, with an allotment of 46, in the national office.

Mr. CASILLAS. Correct.

Mr. SPRATT. How many Job Corps centers did you have in 1978? Do you know?

Mr. CASILLAS. I don't know.

I would like to submit that for the record.

Mr. SPRATT. Does 66, Mr. Reli, sound right to you? I have a record that we can submit for the record, and you can verify whether or not it is accurate because I think for the purposes——

Mr. CASILLAS. That will be fine. We will take that number and will submit the actual number for the record.

Mr. SPRATT. I think it would be helpful to have you validate this particular chart, anyway. This one has been clipped off by the Xerox machine.

This is a Job Corps by fiscal year, and it begins with the beginning of the program and runs out through 1982. It is an extremely helpful summary. I will confess I don't know where it came from. That is the nature of Xerox machines today.

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Mr. CASILLAS. I only have the last numbers.

Mr. SPRATT. Oh, I am informed that it is CRS that provided that for us. So, this is something that CRS has developed in their studies for Congress of the Job Corps Program.

Well, then, without objection, the record will remain open at this point to receive your validation of the figures we just mentioned.

[The material follows:]

The information presented is correct. Current staffing levels are 151 for the 10 Job Corps Regional Offices, and 46 for the National Office. At the end of Fiscal Year 1978, there were 66 Job Corps centers in operation, with a Federal staffing level of 317. Seventy-eight of these positions were in the national office, and 239 in the regional offices.

Mr. SPRATT. Mr. Rell, have you had a chance to see this? Are you familiar with this particular chart?

Mr. RELL. Yes, Mr. Spratt. I believe those numbers are correct.

Mr. SPRATT. OK. Thank you very much.

We will have it incorporated it as part of the record so that will be helpful. If you will take it with you and if you see any mistakes, then that will be helpful to us in simply establishing what the history of the program has been.

Mr. CASILLAS. We will do that, Mr. Spratt.

Mr. SPRATT. The record will remain open to receive your response regarding the chart. Without objection, so ordered.

[The material follows:]

Based on all information available to us, we agree that the chart represents an accurate summary of Job Corps activity level by Fiscal Year.

Mr. SPRATT. In 1978 I believe you had 66 centers; is that correct?

Mr. CASILLAS. That is correct.

Mr. SPRATT. And today you have 107 centers?

Mr. CASILLAS. That is correct.

Mr. SPRATT. So you have had an increase in centers from 66 to 107.

In 1978 how many service years was Job Corps putting in?

Mr. CASILLAS. 44,921.

Excuse me, those are enrollees. The service years are——

Mr. SPRATT. The second column from the left, 22,900.

Mr. CASILLAS. Yes, 22,900.

Mr. SPRATT. And how many service years are being rendered today?

Mr. CASILLAS. 40,000.

Mr. SPRATT. So, we have about 45 percent more centers since 1978. I am using that figure, that period because that is the period where you said they were deficient, there were deficiencies and problems that developed that were perceived by the administration when it came to office.

Mr. CASILLAS. Yes, Sir.

Mr. SPRATT. Since that period of the late 1970's, we have augmented the centers by more than 40 percent. We have added 85 percent more service years and yet we have one less, that is, one-third less administrative staff.

I don't quite understand the nature of your testimony. I am not really picking at you. But what you say is that the problem is an administrative and oversight capacity problem dealing with the ex-

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pansion of the program, and the program has expanded substantially. But at the same time the administrative and oversight capacity has measurably, significantly declined.

I don't understand that statement. It seems to be at odds with the facts.

Mr. CASILLAS. I guess we are talking about, perhaps, two parts to your question. There is the fact that we brought in some less experienced people because of the RIF. The other one is the RIF itself.

As I came in from private industry, you know, I shared your concern and I asked the same question you are asking me now. Why did we do the RIF the way we did it? I was concerned that we do it by regulation. We followed the rules; we followed the procedure; we followed the methodology inherent to Government service, I guess. That calls for experience and military service, and that is the way the RIF works. That is what I was told. That is the way it went.

So, we had to let some people go. In the private sector where I come from, we would have done it differently. We would have kept the more experienced people regardless of service or service records or anything else.

That is one thing that I had to abide with. It was done by regulations.

I would like to say that as I got into it, I can assure you that key management of Job Corps was maintained. The key management people were not RIF'd. They are in place. The percentage of new people coming in, I think, was relatively low. I don't think it was that significant, and I think the key here, as I have been told, is that the training took place immediately. This was accelerated training for new staff, even though we had training in place at that time.

I am convinced that we are going to train those people quickly. As I said earlier, outside of a slight slump in efficiency, they will be back on stream very, very quickly. I have been out to the Job Corps centers and I have been talking to our staffs at the regions, as well as here at the national office with Peter. I am convinced that today for what we are producing in terms of quality and service, we are adequately staffed.

Mr. SPRATT. Still pursuing the question, though, you said that there was a perceived deficiency in oversight and administrative capability but there has been a decline by nearly 40 percent in the administrative and oversight capability of the Job Corps overhead. If I am wrong, please correct me.

Mr. CASILLAS. No, that is a correct statement. It is in my statement.

Mr. SPRATT. OK.

Mr. RELL. Mr. Spratt, it is correct that the numbers of staff have declined over the period that you indicate. However, I don't think it is commensurate to say that the quality or the ability to exercise those oversight functions has declined. The problems that we found and recognized were an absence of adequate systems and adequate coordination with other areas of the Department, which also provide services and oversight to the Job Corps.

We believe—and I think the previous testimony has indicated—that substantial improvements have been made in streamlining the

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program, in the methods and procedures and systems that are used to carry out oversight activities.

As a result, I think it would behoove us to look not only at the sheer numbers of staff that are involved but also the tools, automated systems, and things of that nature that they have to work with.

Mr. SPRATT. I would be delighted to do that. I think that is what we need to do. I don't want to look just at numbers.

Let me ask you a question about your types of review. You mention on page 6 of your testimony that there are two types of review performed by the national and the regional offices. First of all, there is an operational review of each regional office every 2 years. This is page 6 of your testimony.

Mr. CASILLAS. That is correct.

Mr. SPRATT. I know you are just on the job, but have you ever read section 684.134(c) of your own regulations? And are you aware of the fact that those regulations read as follows: "The national office shall conduct an operational review of each regional office at least once per fiscal year"? So, what you are saying is that you are only performing there at 50 percent of your own stated level of review. Your own regs call for one review per year, and you are only able to do it every other year.

That implies to me an inadequate staff. I am going to give you the benefit of the doubt and assume that you are not lazy, that you are not doing it simply because nobody wants to go out and do it. You don't have the staff to do it.

Mr. CASILLAS. Well, as I said, we do it once every 2 years. I don't think that necessarily implies——

Mr. SPRATT. But you set the standard for yourself, and you are not even keeping your own standard.

Mr. CASILLAS. I must assume that is simply the procedure that we have instituted, that we are doing it every 2 years. I don't think you are correct in saying that, therefore, or ergo, we don't have enough staff.

Mr. SPRATT. Well, I read the rule, that is, the regulation as a rule, and somebody decided it would be prudent——

Mr. CASILLAS. But you are making a conclusion after that statement——

Mr. SPRATT. Oh, but it is a conclusion.

Mr. CASILLAS. We do it every 2 years. The conclusion is that we don't have enough staffing. That is not correct.

Mr. SPRATT. OK. What is the answer then? That's fine. That—why don't you do it more frequently?

Mr. RELL. Mr. Spratt, the statement in the testimony refers to comprehensive onsite reviews that are conducted every 2 years. It is a fact that we review our regional offices more often than that through monitoring visits from the national office. There are various ways, Mr. Spratt, that reviews can be conducted. They can be conducted through assembling a team of staff at one time and comprehensively examining a regional office over a period of 5 days. That is the usual thing.

Another way of doing it is to review specific functions of the regional offices through monitoring visits from the national office,

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utilizing specialized staff in their areas of expertise. That is ongoing.

I think on an overall basis the intent of the regulation is satisfied by a combination of different methods of review.

Mr. SPRATT. Do you have under consideration a revision of your regulations so they will conform with your own procedures, then?

Mr. RELL. Yes, sir. We are in the process of, as the testimony indicates, revising all publications and administrative issuances affecting the Job Corps. At the conclusion of that process, we will go forth with a set of technical amendments to the regulations which will incorporate not only the minor adjustments in the phrasing in that area but a number of others.

Mr. SPRATT. This regulation which doesn't say "onsite" and I didn't say "onsite," says "operational." It also says: "Such reviews shall include at least evaluations of some centers selected at the discretion of the Job Corps Director." Isn't it a fact that you haven't been able because of staffing deficiencies to conduct a regional review which also involved a Job Corps center review in several years?

Mr. CASILLAS. I don't think that is the case, but go ahead, Peter.

Mr. RELL. That is not correct, Mr. Spratt.

Mr. SPRATT. Can you provide for the record those cases where you have provided regional reviews, where you actually sent a team out to see the Job Corps centers and that team was from the national?

Mr. RELL. I would be pleased to submit that for the record. I can immediately recall the last several months when I sent a national office review team to the Old Dominion Job Corps Center, for example, to conduct a comprehensive review of that center, which resulted in some major changes in the program.

Mr. SPRATT. Without objection, the record will remain open to receive that submission of regional reviews.

[The material follows:]

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REGIONAL OFFICE REVIEWS

Job Corps regulations at 20 CFR 684.134(c) call for an operational review of each regional office once per fiscal year. In our testimony, we indicated that each Regional Office was reviewed once every two years. This was in response to the Committee's specific inquiry regarding the number of staff involved in on-site reviews and the frequency of such reviews.

We would like to expand upon our statements regarding regional office reviews. We conduct comprehensive, on-site reviews of each Job Corps regional office approximately once every two years. All regions were reviewed at least once during Fiscal Years 1983-1984. The reviews are conducted by teams composed of 5-6 National Office Job Corps staff, and are generally supplemented with a staff person from the Office of the Assistant Secretary for Administration and Management who has expertise in procurement regulations and procedures. The purpose of using an "outside" staff person is to ensure an independent, third-party review of this critical area.

Following a Regional Office review, a report is issued and a corrective action plan must be submitted by the Region to address any problem areas identified. Regional Office progress on their corrective action plan is monitored through telephonic communications and reports or followed up on-site if required.

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If there is an indication that problems remain, an on-site followup review is conducted 6-12 months later.

Regional Office operations are reviewed during the "off-year" when they do not receive a comprehensive on-site review through visits by functional specialists to review their specialized areas and/or provide technical assistance, through tracking the region's progress against annual work plans and scheduled procurement actions, and through merit pay appraisals of the Regional Directors since their standards include very specific operational-oriented criteria. In addition, Regional Office operations are assessed through an ongoing analysis of center performance and placement outcomes of terminees. If a problem area surfaces through these types of assessments, an on-site review of that specific portion of Regional operations may be done and/or on-site technical assistance provided as appropriate.

During Fiscal Year 1983, special review/technical assistance efforts concentrated on operational areas such as placement and fiscal reporting, procurement actions, and health services. In addition, training was provided to Regional Office staff in specific functional areas including procurements, contract administration, and property management.

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The fact that comprehensive regional offices reviews are done every other year is not due to any staff limitations; rather, we have found through experience that this intensive type of review of Regional operations is not required on an annual basis. We do plan to change the language contained in the Job Corps regulations regarding the conduct of Regional Office reviews when we initiate technical revisions to the regulations in accordance with the results of our directives and issuance revision project.

You also asked about National Office evaluations of Job Corps centers. During Fiscal Year 1983, National Office staff from Job Corps and/or the Office of Program and Fiscal Integrity reviewed operations at the South Bronx, Woodstock, Old Dominion, and Miami Job Corps Centers. A National Office review of the Los Angeles Job Corps Center is being conducted during October, 1984.

National Office staff also participate in Regional Office reviews of center operations when problems are known or anticipated in areas requiring very specific types of program expertise. In addition, all Job Corps centers have undergone financial and compliance audits within the last 12-14 months, and the audit reports were reviewed by both national and regional office Job Corps staff to determine whether there were any problems requiring immediate or special attention. We are in the process of conducting follow-up activities relating to the audit findings.

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Mr. SPRATT. Well, that review you were just mentioning was an ad hoc review; was it not? It was requested by Congressman Olin because of reported problems there at Old Dominion. That was not a regular or periodic review.

Mr. RELL. That was a contributing factor. The national office reviews are not conducted on a scheduled, regular basis throughout the year. We like to prioritize our efforts and address those centers where national office attention would be better spent.

Mr. SPRATT. But in that particular case you weren't looking at the regional office. You were simply going out to look at Old Dominion as a particular case with particular problems that had arisen from complaints there.

Mr. RELL. We had reviewed the regional office operations at that time and had reviewed a report from the regional office on it's review of the center—that is, a center review that the regional office had conducted at Old Dominion. We were dissatisfied with the results of that review.

At the same time there was some negative publicity at that center, and Congressman Olin also expressed a concern.

Those were a confluence of factors, Mr. Spratt. We were aware of the situation and had planned national office attention. It wasn't simply in response to a congressional request.

Mr. SPRATT. Your regulations also call for the regional offices to conduct an onsite review each year of each Job Corps within their region. Are you current with regard to these reviews?

Mr. CASILLAS. We have a statement that we would be happy to submit which indicates that we have done 99. The remainder of the 107 have yet to be done, but we have reasons that we will share with you as to why these will be taken care of at a later date.

Mr. SPRATT. OK.

Mr. CASILLAS. We were able to get them done in 1984. We have done 99.

Mr. SPRATT. So, without objection, the record will remain open to receive that material.

[The material follows:]

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CENTER REVIEWS

Job Corps regulations call for Regional Offices to review each center annually. Job Corps Centers are reviewed on an ongoing basis through desk reviews of center reports, on-site monitoring visits, and comprehensive reviews of center operations by teams of Regional Office staff. During FY 1984, 93% of all Job Corps centers (or 99 of 107) received comprehensive on-site reviews. The remaining eight reviews were not completed due to extenuating circumstances. These centers, by Region, and the reasons they were not reviewed, are as follows:

- Region IV (Atlanta): Jacobs Creek Civilian Conservation Center
  Great Onyx Civilian Conservation Center

  These center reviews were rescheduled for October 1984 due to higher priority workloads in the Region, including extra reviews of two centers in response to allegations of mismanagement.

- Region V (Chicago): Blackwell Civilian Conservation Center
  Dayton Job Corps Center
  Joliet Job Corps Center

  The center reviews were postponed due to internal staffing problems, including the long-term illness of a project manager and difficulties in filling a vacant contract specialist position.

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* Region X (Seattle): Angell Civilian Conservation Center
Ft. Simcoe Civilian Conservation Center
Timberlake Civilian Conservation Center

The reviews of these centers were postponed until after October 1, 1984, due to a temporary shortage of staff. Seattle is one of the smaller Job Corps Regional Offices, and several of the staff were injured in an automobile accident while on their way to another center review, with a substantial amount of work time lost as a result. Review of all eight of these centers will be done in early Fiscal Year 1985.

Mr. SPRATT. Have you cut the size of your review teams?

Mr. CASILLAS. As I indicated in my testimony, the number of approximately five people is a normal number that goes out for the review, and this has been in place—the same number—for the past 3 or 4 years.

Mr. SPRATT. How about prior to that time? Weren't there at one time teams as large as eight and didn't they once all come from the regional staffs?

Mr. CASILLAS. I am not sure, but I will check and let you know.

Mr. SPRATT. Without objection, the record will remain open to receive that material.

[The material follows:]

Review teams vary in size depending on the type and size of Job Corps center, but typically include 5-8 staff. This number has remained constant over the last several years. Review teams are generally composed entirely of Regional Office staff; however, when special expertise is required because of a specific problem or unique situation, National Office staff or staff from another Regional Office participate in center reviews. Federal staff from civilian conservation centers operated by the Departments of Agriculture and Interior are occasionally used as review team members, as are contract center staff. These instances are relatively infrequent, and since they are an exception rather than the norm, we do not believe there has been any "drain" on center operators. These few instances have, in fact, provided an opportunity for sharing and cross-fertilization of ideas between experienced center staff.

Mr. SPRATT. It has also been said that what you are doing to put together a team is borrowing from other Job Corps centers so that, one, you kind of canabalize the staff of these other job centers and, two, you bring in people who don't have the oversight ability or the management ability of your regional office people.

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Mr. CASILLAS. It is my understanding that we attempt to put the best type of people together for the reviews, people with special skills. I know of no cases like what you have indicated. Maybe Peter can speak to this.

Mr. RELL. On occasion, Mr. Spratt, we utilize Federal staff from the Departments of Agriculture and Interior to supplement our review teams wherever we are able to use such staff with specialized expertise in order to enhance our resources and provide the kind of expertise that is necessary in particular situations, depending on the centers.

Those review teams will vary in size, Mr. Spratt, and always have, depending on the size of the center, the complexity of the operation, the types of enrollees, and the kinds of vocational training offered at the center. They have generally varied between five and eight staff, and I don't believe there has been any change in that.

Mr. CASILLAS. However, I think your question related to other people from other Job Corps centers. I don't think that is the case. I think we are talking about the specialist that——

Mr. SPRATT. That was the testimony of the three witnesses from the Job Corps centers who——

Mr. CASILLAS [continuing]. I think the—I am not aware of that, but I will say that, perhaps, there was a misunderstanding. We do bring in other experts from other agencies and departments.

Mr. SPRATT. Would you agree that with just 1.5 regional office staffer per center that they are stretched rather thin in their management responsibilities?

Mr. CASILLAS. No, sir. As I indicated in my testimony and as I have said here today, I have sat down with staff here at headquarters and at the regions. I have visited eight out of the ten regions so far. I met individually with them. I talked to every individual in those regions. I gave them the opportunity to bring up issues, any issues they have. Not on one single occasion have I been broached with an issue that has to do with shortage of staffing.

Mr. SPRATT. You are not aware of any internal memoranda from responsible officials of the Job Corps——

Mr. CASILLAS. That is absolutely correct. I am not aware of any memorandum, but I will say that I have talked to these people one on one and have given them a complete opportunity to surface any issues in 8 out of 10 regions, plus all of the national office staff people here at Job Corps. Not one time was the issue of——

Mr. SPRATT. Do you know Mr. Frank Jones in your organization?

Mr. CASILLAS. Who?

Mr. SPRATT. Frank Jones.

Mr. CASILLAS. I do not know Frank Jones.

Mr. SPRATT. He is the Administrator, Office of Job Training Programs.

I beg your pardon—Robert T. Jones. My mistake.

Mr. CASILLAS. Bob Jones, I do know.

Mr. SPRATT. You do know him?

Mr. CASILLAS. I do know Bob Jones.

Mr. SPRATT. Are you aware of any recommendations he has made about the insufficiency of management staffing for the regional staffs?

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Mr. CASILLAS. I meet almost on a regular basis with Bob Jones. Bob Jones has not indicated to me any situation concerning the question that you are addressing on staffing.

Mr. SPRATT. He has never told you that he has inadequate staff to do the job?

Mr. CASILLAS. Bob Jones has never told me that he has inadequate staffing for Job Corps.

Mr. SPRATT. When did you come to work?

Mr. CASILLAS. In May.

Mr. SPRATT. You are not aware of a memorandum then that he wrote Mr. O'Keefe saying that more people were needed in the regions?

Mr. CASILLAS. I am not aware of any memorandum——

Mr. SPRATT. Specifically that some 27 positions ought to be added to the regions?

Mr. CASILLAS. No, sir.

But that doesn't surprise me. I have not seen it; I am not aware of it. But that doesn't surprise me.

Mr. SPRATT. You haven't seen it, but you say you meet with him everyday and——

Mr. CASILLAS. I didn't say everyday, sir.

Mr. SPRATT. OK—frequently.

Mr. CASILLAS. I have been on the road 90 percent of my time since I came on board in May.

Mr. SPRATT. But there has been, to your knowledge, no internal recommendations?

Mr. CASILLAS. That is correct.

Mr. SPRATT. Going on with this question about the rearrangement within Job Corps, the American Federation of Government Employees makes a critical point. It seemed critical to me, anyway. They said that we should not just look at the numbers, just as you were saying. They say: "While the employment ceiling for the national office was reduced by 10 positions, from 56 to 46, there was an actual loss of 20 experienced employees."

I have run a small business before myself, several of them, and I would be very much hampered, I think, if I lost 35 percent of my experienced personnel, top management personnel.

As I understand it, out of 46 people who were there, 56 people then on board, 20 of them now are inexperienced people as a result of this rearrangement.

Is that a correct number?

Mr. CASILLAS. Eighteen.

Mr. SPRATT. Is this not creating problems in the operation of the agency?

Mr. CASILLAS. Let me go back to your experience in a small company, which I am familiar with as well.

If I lost in my financial department the kind of people we are talking about and the kind of numbers we are talking about—and if I replaced those people, which we have done in the reorganization, with people who came in qualified—C.P.A.'s—I would have, as I indicated earlier, a spike in performance. But they are financial people. They are qualified C.P.A.'s.

By definition in the Government when we RIF and we post a job, those people coming in to the jobs must be qualified. Let's keep

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that in mind. They are not familiar with the methodology and the contracting procedures and other policies within Job Corps, but we do have a training program. Let me tell you that that spike is only temporary. Those people can be qualified quickly.

Mr. SPRATT. 90 days?

Mr. CASILLAS. 90 days, yes.

Mr. SPRATT. They can learn what the Job Corps took 15 years to learn in 90 days?

Mr. CASILLAS. Let me say between 3 and 6 months, if I may, Mr. Spratt.

Mr. SPRATT. Well, let me ask you some specific questions.

There were orginally some center coordinating units and troubleshooters, as I understand it, some people who handled ad hoc problems. The regional centers, the Job Corps centers would call in on the phone, and there were seven or eight people there who could answer questions, take action, do something for these people.

Do you know what happened to those people? I understand they have been replaced with desk officers. Could you tell me how many of those troubleshooters, those ad hoc personnel who handle the problems have had any experience doing it before, any experience in the Job Corps at all?

Mr. CASILLAS. No, sir; but I would like to submit that.

Mr. SPRATT. Without objection, the record will remain open to receive that material.

[The material follows:]

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I would like to respond to the issue regarding "troubleshooters."

Immediately prior to the FY '84 reorganization, Job Corps had four full-time "desk officers" and one assistant desk officer in the Center Program Coordination and Administration Unit. These positions were established in the late 1970's when efforts were underway to double the size of the Job Corps program. The positions were created to provide overall coordination for site search efforts, utilization studies of facilities, and tracking facility construction/rehabilitation progress, and to respond to inquiries regarding these activities due to the extremely large volume of work associated with the expansion of the Job Corps program.

As the expansion neared completion, efforts related to the identification and establishment of new centers were concluded, and the function of the desk officers changed. Over a period of time, staff in these positions devoted more and more time to following up on Regional Office assignments and requests for information and providing assistance to regional staff in processing paperwork.

Prior to the recent reorganization, we reassessed the functions of the Job Corps National Office to determine how the program could be administered most efficiently. As a

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result of this assessment, we determined that full-time desk officer positions were superfluous; the type of expertise required for work which was ongoing at the time the positions were established was simply no longer required. The national Office was reorganized along functional lines, with staff assigned responsibility for specific programmatic areas in place of the "generalist" type duties the desk officers had been performing.

Job Corps National Office staff in the newly established Division of Program Planning and Development are assigned responsiblity for specific functional areas such as outreach and screening, placement, national training programs, construction/rehabilitation, innovative programs, civilian conservation centers, basic education, vocational training, world of work, and residential living. Four of the senior specialists in the Division were assigned additional part-time desk officer duties so that the Regional Offices would have a contact point for problems or issues which cross-cut programmatic areas. Two of these individuals have been with Job Corps for an extended period of time; the other two part-time desk officers have extensive direct program experience in other components of the Office of Job Training Programs and have been participating in training sessions designed specifically for Job Corps staff.

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Mr. CASILLAS. I will answer that for the record. Again, I have just gotten into what the quality of the centers is today in terms of facilities. There are incidents that occur at the various centers. I can assure you that those incidents are being taken care of, to my satisfaction, as quickly as possible. Any incidents with regard to the facilities or equipment are being taken care of. So, I am satisfied that the centers are adequately being taken care of either in terms of incidents or in terms of facilities.

Mr. SPRATT. May I put that question to Mr. Rell?

Mr. CASILLAS. I would like to submit for the record the answer to your question about the numbers that you asked for.

Mr. SPRATT. There are only 44 people in the office.

I understand there were seven to eight people originally in the center coordination units and today there are six or seven left who handle similar functions. Six or seven of those who are left have had no previous experience in Job Corps. And yet they are handling troubleshooting and ad hoc problems that come in on the telephone.

Mr. RELL. There must be some confusion, Mr. Spratt. I don't recognize any of those numbers. There has not been a center coordination unit. What we have had is what has been referred to as desk officers who have acted as points of contact for regional offices in order to coordinate activities of the national office, that is, resolve a problem that might take input from more than one function area within the national office.

Those positions still exist in the sense that those duties have been assigned to staff in one of my divisions, and each regional office in the country has the specific name of a staff member, as they have in the past, whom they can call and who can provide that kind of service.

Mr. SPRATT. Are you familiar, Mr. Rell, with recommendations that Mr. Jones has made regarding augmenting the staffs of the regional offices?

Mr. RELL. Yes, sir.

Mr. SPRATT. Do you specifically recall if he asked for at least 26 more people in the regional offices?

Mr. RELL. I don't recall the numbers, Mr. Spratt.

Mr. SPRATT. Going back to your point that oversight has been deficient, I understand that you now have a Division of Program Monitoring and Review. That is one of the two divisions in the Job Corps. Is that correct?

Mr. CASILLAS. That is correct.

Mr. SPRATT. In that particular office how many of the people who are responsible for monitoring operations have had previous Job Corps experience?

Mr. CASILLAS. In terms of what? Experience in what?

Mr. SPRATT. Experience, period.

Have been in the Job Corps before.

Mr. CASILLAS. Before?

Mr. SPRATT. Yes.

Mr. RELL. I don't know.

Mr. CASILLAS. We will submit that for the record.

Mr. SPRATT. Without objection, the record will remain open to receive that answer.

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[The material follows:]

The Division of Program Management and Review has a ceiling of 19 positions, with 18 staff on board. We are actively recruiting to fill the one vacancy, which is a Computer Systems Analyst.

Of the 18 staff on board, 6 individuals (five professional and one secretary) are new to Job Corps. Two of the "new" staff are assigned to the Program Review Unit, which has responsibility for monitoring program performance and conducting Regional Office and center reviews.

All of the staff who were assigned to the Division of Program management and Review as a result of the RIF have extensive experience in other components of the ETA national office, and their skills and background fully qualify them for the positions they now occupy. Each of them has participated in Job Corps specific training and is also receiving on-the-job training through observation and participation in on-site Regional Office and center reviews.

Mr. SPRATT. Just 44 people in the office. Can you think quickly about who your people are monitoring?

Mr. RELL. I am trying to remember which ones are in which division, Mr. Spratt.

Mr. SPRATT. Oh, I am sorry. OK.

Were you here for any of the testimony of the three gentlemen who came from RCA, Teledyne, and Singer?

Mr. CASILLAS. Negative.

Mr. SPRATT. I see.

I think it would be good, if you had an opportunity, to respond to what they said, since you didn't get to hear what they said. I would like to read it off quickly because it bothers me. It runs at odds with what you are saying.

Basically the bottom line of what they are saying is that here is a successful program, but two of the three witnesses said its ongoing effectiveness is impaired by RIF's that have been pennywise and pound foolish.

Mr. CASILLAS. It is kind of surprising because, as I indicated, even though the four centers I have visited is a small segment of the total 107, I have also talked to the contractors. I have talked to the Singer people, who run the Sacramento center. Again, I will wait until you give me what they said, but it is surprising. I would have thought, from what they told me, that they were very pleased with the ongoing operation and the results.

Mr. SPRATT. It is surprising, too, as Chairman Frank said, because here are some contractors who come in, first of all, and they have to get along with you and I understand that. I used to work in DOD in procurement. I understand the risks they take. [Laughter.]

Second, they say that they want the Government to participate. They want the Government to hold up their end of the partnership a little bit better than they are doing right now.

I think it is constructive criticism. I think everything they said was in the best spirit possible of seeing the program work. They don't want to be associated with it if it doesn't work.

Mr. CASILLAS. And coming from private industry, it is my intent to improve wherever I can.

Mr. SPRATT. I understand that.

Mr. CASILLAS. I want to hear comments, particularly from corporations such as these.

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Mr. SPRATT. Well, this was from Mr. Androlewicz. If I mispronounced your name, I apologize for that. We are doing the best we can.

Mr. CASILLAS. Just remember the two l's are Spanish.

Mr. SPRATT. "Each center we operate is reviewed annually. The review teams use comprehensive review guides and conduct follow-up reviews. However, over the past few years the staffs of the regional offices have been depleted by a series of reductions in force. As a result, fewer members of the review teams have Job Corps experience necessary to conduct an effective review. Assistance in correcting deficiencies is often not available, and in some instances staff members from one center are taken away from their training duties to assist review at another training center. Center staff members are now required to perform administrative duties that used to be performed by regional offices such as arranging initial assignments and transportation and maintaining records and disclosure and so forth."

That was the question I was getting at in asking you the same question. These are people down here at the working level. I think one characteristic of private sector businessmen is that they respect what people at the working level tell you.

Mr. CASILLAS. Absolutely. And, I would like to take your suggestion and respond to those comments, if I could, either to you or through you or to them directly. I go back to looking at the numbers. Being from business, I look at the bottom line. I am seeing the placement rate, the progress of it; the corps membership, and I think the program is doing well. I would say excellent, super excellent, as a matter of fact.

So, I would like to respond specifically to those and see if perhaps we can improve the program, but overall I think the program is on target.

Mr. SPRATT. Without objection, the record will remain open to receive that material.

[To material follows:]

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Mr. Androlewicz expressed concern that there were fewer Job Corps staff with less experience to provide technical assistance and perform center review activities. He also stated that center staff were used to review other centers in some instances, and that center staff were required to perform administrative duties that used to be done by Regional Offices, including initial assignments and transportation, maintenance of terminated corpsmember records, and disclosure of information on corpsmembers.

It is true that there are fewer staff in Job Corps regional offices, and that some of the staff who were assigned to these offices during the RIF do not have extensive Job Corps experience. We do not believe, however, that this will cause any negative impact on the operation of the Job Corps program. Staff who were reassigned to Job Corps have experience in the administration of other employment and training programs or in ETA administrative functions. Their experience and backgrounds clearly qualify them under the personnel regulations for the positions they assumed. We are providing Job Corps specific training to these individuals in areas such as proposal review, business management proposal analysis, contract administration, and property management to augment their prior skills and knowledge. Through formal training and working on a daily basis with experienced Job Corps staff, these individuals will quickly be in a position to perform the duties assigned to them in an effective manner.

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In reference to Mr. Androlewicz' concerns with administrative duties, 23 of the 107 Job Corps centers have been assigned responsibility for a portion of the center's recruitment, and most centers are now handling initial transportation of corpsmembers. It is important to note the centers which are performing these functions were provided additional staff and funding under their contracts to cover the expanded scope of work. These requirements are incorporated into center Requests for Proposals (RFPs) so that all offerors are fully aware of the work requirements prior to submission of proposals.

Assignment of these duties to centers was not a direct result of Regional Office staff reductions; rather, they are a part of our effort to test various approaches to improve the efficiency and cost effectiveness of services provided. We are currently pilot testing an approach in Region IV whereby a company which is subsidized by Trailways and Greyhound is handling all initial corpsmember travel through an automated system, at no cost to the Government. If this pilot proves effective, we will expand it to other regions. We are trying several different approaches in the area of recruitment and assignment of corpsmembers to improve accountability and reduce the amount of time between screening and actual assignment of youth to Job Corps centers. Having Job Corps centers handle local recruitment at selected centers is one approach; increasing the number of competitively awarded contracts for recruitment and screening is another. We are also planning to continue the pilot

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projects in two Regional Offices during FY 1985 to test the effectiveness of automated selection and assignment.

Maintenance of terminated corpsmember records is another duty that is now generally the responsibility of Job Corps centers. Shifting this function from Regional Offices to centers was done after a successful pilot project demonstrated that was a more cost effective approach due to reduced postage costs and a reduction in the number of staff (both contractor and Federal) involved in tracking, handling and storing records. This change in responsibility was incorporated in revisions to the Job Corps regulations which were published October 20, 1983.

These regulatory revisions also addressed disclosure of information. Job Corps centers have always been responsible for responding to all requests for information or records during a corpsmember's enrollment. In accordance with the revised regulations, they must also respond to inquiries regarding terminated corpsmembers if they have been assigned responsibility for maintenance of terminated corpsmember records. There were no strong objections to this approach from center operators when the revised regulations were published for comment prior to implementation, and we do not believe this shift in responsibility has placed an unreasonable workload on Job Corps center staff.

As indicated previously, Job Corps contract center staff have been involved in reviewing the operations of other centers infrequently, and we do not believe this has caused a "drain" on any center operator. Only four of the ten Regional Offices use center staff (contract or Federal) at all on Regional reviews of centers, and then they are only used for specialized areas.

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Mr. SPRATT. I appreciate your responding to that.

Also, when I was in DOD, I used to write these responses, so I am guilty of the same crime that every bureaucrat in this city commits and this is being totally unresponsive. If you would be responsive, we really would appreciate it. I am serious. The art of answering these things is much maligned in this town. If you could give us candid responses in the spirit of making this thing work, we would appreciate it.

One of the criticisms voiced by all three panelists who testified earlier was that screening has definitely been impaired. That relates to the deficient staffing levels at the regional level.

Do you disagree with that, Mr. Rell?

Mr. RELL. Absolutely.

Mr. CASILLAS. I not only disagree, but I haven't heard of it. It has not arisen as an issue with me, so I disagree on that basis. But perhaps Peter can respond from a different aspect.

Mr. RELL. I disagree, Mr. Spratt. What we have done is that we have looked for alternative ways to conduct screening more efficiently so that corpsmembers do not wait on waiting lists as long as they have in the past. We have had backlogs of from 6 to 12 months for males and 1 to 3 months for females. What we have done is experimented with various alternatives, trying to cut out as much paperwork and procedure as possible. We have three or four experiments going on in different regions.

One of those is to retain the full activity in the regional office but to automate the selection and assignment process, and we have an automated system operating presently in Kansas City and in Atlanta. We have other experiments whereby those folders where the screeners find no question as to the eligibility or suitability of the enrollee, they are referred directly to the center so that they don't have to travel through the regional offices and these young people have to wait less time in order to be assigned to the centers.

It is quite true that we are experimenting in ways to improve the selection and assignment process. I have not heard and am not aware of any deficiencies and, in any case, those experiments have nothing to do with any regional office staffing levels.

Mr. SPRATT. You saw the testimony. Mr. Androlewicz said: "As a result of these changes, many of our centers are operating significantly below capacity and the changes that have been made have disrupted the network."

Mr. CASILLAS. The fact that we are talking about 107 operations and centers means there might be such situations—I always look at something as to why it's not able to achieve complete perfection. I would like to look more in detail into that specific issue and, perhaps, see what the incidents were and get back to you and respond for the record.

Mr. SPRATT. Fine. Without objection, the record will remain open to receive that response.

[The material follows:]

We do not share Mr. Androlewicz's view that there has been a significant decline in center enrollment due to deficient regional office staffing levels. There have always been slight seasonal fluctuations in enrollment levels. For example, there is generally a slight dip in enrollment levels over the summer months. During the early summer, we are, in essence, competing with the Summer Youth Employment

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Program, which offers immediate employment (with no training involved) and wages; there are more outdoor/construction-related jobs for unskilled workers; other young people are out of school, and youth are more reluctant to leave home, etc. In addition, during periods when the economy is on the upswing and unemployment drops, the "pipeline" of Job Corps applicants dwindles. Fluctuations in enrollment levels are always temporary phenomena.

There is an established recruitment and screening network; it is not affected by Federal staffing levels. Approximately two-thirds of Job Corps recruitment is currently done by State Employment Security Agencies which have been performing this function for many years. To control costs and improve services, we have begun to competitively award all other recruitment and placement contracts instead of awarding them on a sole source basis. We have, at the same time, instituted procedures to make recruitment contractors more accountable in terms of documenting the eligibility of applicants and determining which youth are most in need of the intensive type of services offered by Job Corps. We previously mentioned initiatives we have underway in automated selection and assignment of youth, and direct referrals and assignments by screening agencies for youth whose applications indicate there are no problems which would hinder their participation in the program. We believe that these initiatives will improve, not disrupt, the recruitment process, and reduce the amount of time between recruitment and assignment of applicants to Job Corps centers.

Mr. SPRATT. Mr. Watkins said:

The contractor's job has been made more difficult in light of the lack of regional office knowledge and continuity for evaluating proposals, selecting contractors, conducting center reviews, and acting on requests for approval. Such a situation obviously lessens the amount and quality of management and support performed by the Government.

Mr. CASILLAS. I think there again I have got to respond the same way. It could be an isolated case, which I have got to suspect it is, and I would like to get back to you on that situation. Overall I would say that it is not correct.

Mr. SPRATT. Without objection, the record will remain open to receive that response.

[The material follows:]

I do not agree with Mr. Watkins' statement. As I previously indicated, we may experience a termporary dip in productivity due to staff changes; we do not expect this to last long because the newer staff have compatible skills, and we are providing specific Job Corps oriented training in areas such as proposal analysis and contract administration. In addition, Regional Offices use established, written guidelines and criteria in reviewing Job Corps centers, and the staff recently assigned to Job Corps are participating as review team members under the direction of experienced Job Corps staff. Similarly, approval levels for center activities and requests are established so that responsibilities and authority of various staff levels are clearly understood.

I do not believe that there will be any lessening of the amount or quality of management and support provided by the Government.

Mr. SPRATT. Mr. Androlewicz makes five recommendations or four recommendations, and we would like your response to those. I think all of the three earlier witnesses concurred with them—no more reductions in force in the national and regional offices, restoration of staffing in the national and regional offices to levels of——

Mr. CASILLAS. What is the second one, again?

Mr. SPRATT. It is written down. We will give you copies of it.

The second is restoration of staffing in the national and regional offices.

Mr. CASILLAS. Right.

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Mr. SPRATT. The third is necessary steps to maintain stability in the recruitment network and, fourth, providing the program with sufficient moneys for capital improvements.

All three witnesses mentioned the problem of capital improvements, and one of the things that concerns me is that recognizing your budget bind, you have said that one way you intend to live within your budget is to cut back on capital improvements.

Mr. CASILLAS. Mr. Spratt, I would like to address that about the capital improvements.

Mr. SPRATT. I would like for you to.

Mr. CASILLAS. I came in and sat down immediately with our budget and financial people in the agency, and I was kind of taken aback that we didn't have a separate line item for capital expenditures, along with the normal depreciation schedules and that sort of thing.

So, I say that we have got to do that. I am currently asking that we start to prepare that kind of a procedure in the budgeting process for Job Corps.

If I may, I would like to submit for the record what we are doing at this stage, trying to get specifics and line items for capital expenditures with depreciation schedules, so that we can really be sure of ourselves, not for a yearly basis but for a 5-year and longer term basis as to what the capital requirements are going to be. Then can start to implement and perhaps get a more stabilized approach to the question of buildings and capital.

I would like to do that, Mr. Spratt, if I may.

Mr. SPRATT. OK.

Without objection, the record will remain open to receive that material.

[The material follows:]

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Mr. Androlewicz made four specific recommendations regarding the management and operation of the Job Corps program, and we will address each area separately.

Recommendation #1: Apply no more PIFS to the national or regional offices.

As indicated previously, we do not contemplate any RIFS in the Employment and Training Administration in Fiscal Year 1985.

Recommendation #2: Restore the staffing of both the national and regional offices to levels that will allow them to perform without depending on center operating staff.

We believe that the current staffing levels for the Job Corps national office and regional offices are adequate for oversight and administration of the Job Corps program. Job Corps Federal staffing levels peaked in the late 1970's when a larger number of positions were required to carry out the large expansion of the Job Corps program. Both the National and Regional Offices had duties associated with identification and acquisition of sites, rehabilitation of facilities, selection of vocational offerings for new centers, and numerous activities relating to readiness and opening of new centers and the need for increasing numbers of applicants. These duties were over and

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above those associated with maintenance of the ongoing program at existing centers. Once the expansion was completed and the program reached a relatively "steady state" of operations, the number of staff needed for oversight and administration of the program decreased.

We have initiated action to automate routine, repetitive functions and streamline the multitude of approval and paperwork requirements. Based on our assessment of remaining critical functions,we believe the current staffing levels are appropriate for all Federal management, review, monitoring, procurement and oversight responsibilities. We will, of course, examine staffing levels and needs in Job Corps as in all other programs, on an annual basis as part of our annual budgeting process.

Recommendation #3: Take steps to maintain the quality of the recruitment network.

As we have indicated, we believe that the actions we have initiated to strengthen the recruitment and screening process and increase the accountability of recruitment contractors will not only maintain, but improve, the quality of the recruitment network.

Recommendation #4: Provide sufficient funds for capital improvement and rehabilitation.

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We agree that it is essential to provide sufficient funding levels for maintenance of Job Corps facilities. Under the original 21-month appropriation for the 1984 transition period and program year, $77.9 million was budgeted for construction and rehabilitation of Job Corps facilities. Of this amount, $50.1 million is devoted to remedying deficiencies which pose a threat to the safety and health of corpsmembers. The remaining $27.8 million is for facility acquisition and center relocation expenses, and other priorities. This level represents a sharp increase over prior year obligations for construction, as illustrated below:

Period	Construction Obligations (in million)
FY 1982	$21.0
FY 1983	$26.7
FY 1984 (21 month appropriation)	$77.9

We budgeted an additional $15.6 million for capital equipment and $24.9 million for vocational skills training materials and supplies under the Fiscal Year 1984 appropriation. Of this amount, $7 million has been set aside for the purchase of new vocational equipment when changes of vocational offerings are implemented as a result of our recently completed review.

In addition to the amounts already budgeted, the FY 1984 supplemental appropriation of $21.7 million will be utilized for other priority facility and equipment needs.

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We believe that the over $100 million which will be utilized in FY 1984 for construction and equipment needs is sufficient to correct the backlog of center deficiencies and will bring all centers up to an acceptable condition. Since all major deficiencies and needed repairs will be addressed in 1984, we anticipate that less capital funds will be required to maintain Job Corps facilities at an acceptable level in 1985.

We are planning to develop future Job Corps budget requests as two separate line items--one for program operations, and one for capital. The basis of a separate capital budget request will be a new capital planning system which is currently under development. The key to this system is the formulation of architectural and engineering standards for existing structures, as well as for new construction. These standards will provide a uniform base for identifying and assessing facility deficiencies through biennual facility surveys of each Job Corps center. The facility surveys will characterize deficiencies against the standards in terms of predefined categories (such as those posing danger to the safety and health of corpsmembers), prioritize funding needs accordingly, and continually update a 5-year facility plan and budget for each center. This procedure will take into account normal depreciation of facilities. Decisions as to whether to repair or replace deficient facilities with new construction will be based on life cycle cost analysis. We expect to have our new capital planning system in place in time to support Fiscal Year 1987 budget formulation.

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Mr. SPRATT. Are you familiar with the consulting studies of the Job Corps that have been made?

Mr. CASILLAS. The Mathematica study?

Mr. SPRATT. Mathematica and other studies that have been made to review the findings made by Mathematica?

Mr. CASILLAS. Yes, sir; I am.

Mr. SPRATT. Do you have any plans for further consulting studies? Do you have any ongoing at this present time?

Mr. CASILLAS. We have just signed a contract for a new one to begin again with Mathematica.

Mr. SPRATT. Aren't you spending more—I used to be in the real estate business, too, and we used to refer to costs like this as "soft costs." Aren't you spending more on soft costs than you are on hard costs? Why keep having these studies if they keep telling you the same thing?

Mr. CASILLAS. Let me tell you. Where I come from--private industry—I am a great believer in outside studies, for one reason only: How to improve what I am doing.

The charge we have given Mathematica is to come in with their findings so we can improve Job Corps. I am a great believer in that, and that is the way I operate. I have used the auditing firms on the outside and people like ADL, and I am a great believer. These people come in with source information that I use to improve the system. That is the whole intent of this study: how to find out and improve.

Mr. SPRATT. Looking at it in terms of tradeoffs, it would seem to me that you have spent more on these studies than you have saved by your RIF's, and that looking at the bottom line—output—you would have had more output by forgoing the RIF's and also forgoing the studies.

Mr. CASILLAS. Perhaps, but I don't want to do anything blindly. I like to do something where I have some good data and a good data base and I feel I am going to get a good data base through the study. I think in the long run you will find that the net results pay off. There is no question about it——

Mr. SPRATT. I agree with you about outside——

Mr. CASILLAS. I am sure you do, coming from the private sector.

Mr. SPRATT. I thought, as I said earlier, that the Mathematica study is money well spent in developing a methodology for looking at and appraising this program. It gave attention to different benefit streams that probably wouldn't have been perceived had they not looked at it closely.

Mr. CASILLAS. Absolutely.

Mr. SPRATT. But there comes a point when you say, "Do we want to spend more money like this or do we want to keep in tact a staff that we have built up at great expense, expertise and an ethos within our management that we have acquired over a 15-year period of time?" There is a tradeoff there and——

Mr. CASILLAS. Absolutely.

And, by the way, I am looking at that. I mentioned earlier when Mr. McKernan asked the question—that I see other avenues and I am trying to tie into the title II-A program of JTPA. I am looking at that kind of approach. We have got fixed assets, you know, we have variables that we can take advantage of. We have 20 years of

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experience in Job Corps. Why not foster that and implement some of those techniques using some of the title II-A requirements and opportunities?

Those are the kinds of things I am looking at. And I am using the Mathematica study as a data base. These are the people who are going to give me the input. I think in relationship to the total numbers of dollars—$600 million--that I am in charge of for the year of 1985 in Job Corps, I don't think the amount we are spending for Mathematica for software, or soft costs, as you indicate, is a great deal. I don't think it takes away from what I am trying to do.

Again, I would like to say this. Job Corps is an excellent program. I am going to do everything I can, drawing from my experience in private industry, to improve it.

Mr. SPRATT. I would make the same argument to you with respect to your staff. I don't think the amount of money you have saved from your RIF's is a great deal of money, as a percentage of $600 million annual operating costs. You have to ask yourself whether the marginal costs is exceeded by the marginal benefits that are gained.

I really think we should ask that question as a matter of mandate.

Could you give us for the record what has been saved in dollars to the Job Corps by the management RIF's that have been made from 56 down to 44 in the regions?

Mr. CASILLAS. I will be happy to.

Mr. SPRATT. And also a statement of what has been spent for consulting studies?

Mr. CASILLAS. Absolutely, Mr. Spratt, I will do that.

Mr. SPRATT. Without objection, the record will remain open to receive that material.

[The material follows:]

The staffing changes and reductions ETA undertook during 1984, through efforts to accelerate voluntary attrition as well as the management RIF, were not made with the aim of reducing FY 1984 operating costs, nor were they projected to do so. They were made to bring our on-board staff into line with our current assessment of Federal workload and the number of staff required to accomplish that workload. This impacts on our future operating costs, of course. Our 1985 submission indicated that our request would have been $12.2 million higher, ETA wide, had we not reduced our staffing levels during 1984. Approximately $0.5 million of this would relate to the Job Corps staffing reductions in the National Office and the Regions. I would like to note, however, that the Job Corps reductions were accomplished through attrition and reassignment.

The major "Consulting Study" of the Job Corps was conducted by Mathematica Policy Research, Inc. (MPR) of Princeton, New Jersey between August 1976 and April 1982 at a total cost of $2,998,467. Mathematica produced a series of reports evaluating different aspects of the Job Corps program. The current, ongoing evaluation study being conducted by Mathematica is entitled "Job Corps Component Impact Evaluation and Process Analysis" and is being funded at $592,673.

In addition, in 1982 another contractor, the Educational Testing Service of Princeton, New Jersey, developed a vocational education program and benchmark job competencies for the Job Corps. This project cost $105,935.

Mr. SPRATT. There was a reference last year in testimony before one of the appropriations subcommittees, Mr. Natcher's appropriation subcommittee, to a management study made within ETA. In effect, in the course of considering the Labor, HHS, Education appropriations bill, the question of RIF's and management levels, per-

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sonnel levels within the Employment and Training Administration, came up.

The witness was Mr. Agrisani, and he testified to the effect that an internal management study had been done looking at ETA out over 10 years into the future. And he said that that study had recommended a management level of 2,000 personnel and that they had cut internally from 2,300 members down to 2,000 in accordance with this management study.

First of all, is there such a study? Are there memoranda that embody the study? If so, could you submit those for the record so that we could understand the methods and purposes of the study?

Mr. CASILLAS. No. 1, I will find out if there is such a study and, No. 2, if such a study exists, I will submit it.

Mr. SPRATT. Without objection, the record will remain open to receive that response.

[The material follows:]

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The "management study" referenced by Mr. Angrisani before the House Appropriations Subcommittee was actually a series of informal reviews conducted by several internal ETA work groups. The purpose of these reviews was to assess the impact of the Job Training Partnership Act and the new Wagner-Peyser Amendments on workloads and associated staffing needs. The work groups' informal recommendations were made prior to the development of the governing Federal Regulations.

After the regulations were completed and put in place, it was clear that the Federal Role envisioned by the work groups was diminished and further reductions in staffing levels would be appropriate to align staffing with expected workloads. It was also clear that a restructuring of ETA to reflect the reduced Federal Role and to achieve management economies and efficiencies was required. As identified in the 1985 budget submission, the current assessment is that staffing requirements for ETA as a whole will decrease to 1,732 by the end of FY 1985.

Attached is a paper which Deputy Assistant Secretary O'Keefe provided to the Senate Appropriations Subcommittee at the apporiations hearings in March 1984. The paper explains where changes were made, what functions are being retained and the basis for the changes.

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INTRODUCTION

The Employment and Training Administration (ETA) plans to conduct an agency reorganization and reduction during Fiscal Year (FY) 1984. While the agency's appropriation for FY 1984 anticipated a reduction, the currently planned reduction-in-force will be somewhat larger than projected in the submission to Congress early in 1983. It is the purpose of this paper to outline the proposed reorganization and reduction so that those concerned with ETA's accomplishment of its mission can be assured that this will be done effectively, while avoiding unnecessary costs associated with excess staffing--it is important to recognize that, on average, each staff position in ETA costs $60,000 per year in salary, fringe benefits, space and other support costs.

BACKGROUND

As noted above, in its FY 1984 budget request, ETA planned a reorganization and reduction. In reviewing the experience of the year since that budget was formulated, taking further account of the significant shifts in the Federal role as a result of legislative actions and in assessing administrative and management efficiencies, it was recognized that additional streamlining would be possible, while assuring that the agency's resources were adequate to meet its basic mission and assuring that the programs within its purview are conducted in conformity with Federal requirements and are responsive to the goals and objectives that have been established for them.

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Among the changes that place ETA in the posture of having more staff than is necessary to its basic mission are:

o The enactment of the Job Training Partnership Act (JTPA) to replace CETA. The new program expands significantly the role of the States in the administration and oversight of training and employment services; it also creates, at the local level, a public/private partnership with considerable responsibility for assessing the adequacy of programs.

The enactment and implementation of JTPA:

- Reduced the number of ETA grantees (from about 475 to 57);
- Reduced detailed Federal requirements (e.g., regulations were cut by more than 75%) as the States assumed an expanded leadership role and administrative responsibilities;
- Redefined the Federal role to emphasize the accountability of the system.

All of these changes reduce the need for Federal level staff.

o The 1982 amendments to the Wagner-Peyser Act, passed as Title V of JTPA, altered the planning and administration of federally supported labor exchange activities. These amendments:

- Imposed a statutorily defined formula for allotting resources among the States, shifting away from a complex, administrative formula that required considerable data collection, analysis and manipulation;

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- Revised the planning process to give the local service delivery areas a role in planning, with the State agency, the types of labor exchange services to be delivered; and expanding the within-State review of the State agency plans and consideration of alternatives to it;
- Setting aside 10% of the State's allotment for use by the Governors in improving performance, meeting special needs and testing different approaches;
- Creating a new authority for funding, through reimbursable agreements, those needed activities that are not basic labor exchange services.

These statutory changes and the implementation of them further reduce the agency's staff needs.

o Legislative changes in 1981 authorized alternative approaches to the administration of the Work Incentive (WIN) program. One of these activities, the "WIN Demonstrations," involves approximately 20 States and reduces the ETA role in the program in those States. These changes, coupled with administrative streamlining in reporting and elsewhere, have reduced staffing needs in this area.

o Reductions in the Federal role generally and reductions in the amounts of nationally administered research, special national program and similar funds translate directly into reduced staff needs in the components responsible for those functions.

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- Management initiatives have further reduced staffing needs. By removing unnecessary layers of management, throrgh the more efficient use of support staff, through the consolidation of administrative functions, staffing requirements have been lessened through increased efficiency.

- There has also been a shift in functions to other components of the Department (e.g., increasing the role of BLS in labor market information, the expansion of the responsibility of the Office of the Assistant Secretary for Veterans' Employment and Training) and the expansion of the capacity of others (e.g., the OIG) has further reduced some of the demands placed on ETA.

It is in this context that ETA reconsidered its staffing needs and proposes reductions beyond those anticipated late in 1982, when the FY 1984 budget request was formulated.

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APPROACH

Over the past decade, with one exception, ETA has been in a posture of reducing its staffing levels. For most of this period, the problem was addressed through hiring freezes and similar restrictions. As a result, imbalances occurred in the staffing pattern. By achieving a sustainable, stable level of employment in FY 1984, the agency will return to a more normal personnel policy for the long term.

To limit, to the maximum extent possible, the consequence of the reduction on ETA's employees, several actions have been taken, including:

- o A freeze on all hiring from outside DOL and a requirement that other DOL agencies hire ETA employees for jobs for which they qualify;
- o An extensive out-placement effort has been initiated;
- o Authority for early retirements has been requested;
- o A progoram of retraining and relocation is in place.

To minimize the disruption to agency operations and to permit the organization to attain stability as soon as possible, it was decided to accomplish the reorganization and the reduction in one action. It is planned that, in lte May 1984, the reorganization and separation of employees will occur.

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In combining the reorganization and full reduction into one action, ETA will achieve stability rapidly. Any alternatives to this approach would mean retaining staff above levels justified by workloads; conducting more than one separation action in a brief span of time; and extending the morale problems (and consequent productivity effects) associated with any staff reduction.

Included in this document is a brief discussion of the agency's oversight plans for training and employment services. The agency's quality control efforts in unemployment insurance are reviewed also.

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FEDERAL OVERSIGHT OF JTPA

U.S. Department of Labor
Employment and Training Administration

February, 1984

Background

The Job Training Partnership Act, signed by the President on October 13, 1982, is rapidly approaching the end of its initial period of implementation and State and local planning has already begun for Program Year 1984.

During the first nine months of 1983, the employment and training system nationwide focused on completing and closing out activities under CETA, the establishment of Service Delivery Areas (SDA's) and appointment of Private Industry Councils (PIC's) at the local level, the formation of new administrative structures at the State level, the appointment of State Job Training Coordinating Councils, and the initiation of joint planning at the local level between State Employment Security Agencies and local elected officials and PIC's.

Once the new entities authorized by JTPA were established, the startup date of October 1, 1983 required a telescoped planning process for initial operations through June 30, 1984. This Transition Period has served as a shake - down period for the States, allowing them to implement and modify State administrative systems, and it has provided opportunity for State and local institutions to work out new relationships and partnerships by planning and operating programs.

By Program Year 1984, commencing for twelve months starting July 1, 1984, the structural aspects of the new system should be

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largely established, and program delivery should take place in a more stable institutional environment.

As State and local partners move through implementation issues to management of on-going activities, the exercise of oversight responsibilities at the local, State, and Federal levels will assess how the new system is performing and the extent to which it conforms to the statute.

Multiple Levels of Oversight

JTPA provides for concurrent oversight activities initiated by local, State and Federal entities in the job training system. The following is a brief review of the JTPA oversight process as set forth in various provisions of the Act.

Local

Section 103 provides for Private Industry Councils to exercise oversight of SDA administration and operations, in partnership with units of local government. Section 103 defines oversight to include review, monitoring, and evaluation. Also, Title V JTPA Amendments to Section 8 of the Wagner-Peyser Act establish a planning oversight role for local elected officials and PIC's with respect to local State Employment Service operations.

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State

The State has overall responsibility for management and administration of the job training system within the State, including oversight. State-level responsibilities for oversight are assigned to the Governor and State Job Training Coordinating Council. In many States, the legislature is taking an active oversight role. Section 122 gives the State Council broad authority to review operations in each SDA and to review State services, making recommendations of ways to improve program effectiveness to appropriate officials and to the general public. Also, Section 8(a) of the Wagner-Peyser Act, as amended by JTPA, provides the State Council with authority to review and certify the State plan developed for the State Employment Security Agency.

Section 105 translates the Governor's responsibility for review and approval of SDA plans into oversight of local planning and performance goal setting, and oversight of compliance and adequacy of SDA-level management systems. Section 105 also provides for review of, and comment on, State plans by State legislatures. Section 106 extends the Governor's oversight role into measurement of SDA program outcomes against performance standards, and review of local implementation of State-required corrections for inadequate performance. Section 164 directs the State to establish financial controls, and independent financial and program compliance audits with its subrecipients, and to take

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action to ensure correction of identified deficiencies and violations, including, if necessary, revoking authority to operate.

Federal

Under Section 163 of the Act, the Secretary is authorized to monitor JTPA programs to determine their compliance with the Act. The Secretary of Labor is directed under Section 165 to conduct investigations of the use of funds received by States and other recipients each fiscal year in order to evaluate compliance with provisions of the Act.

Section 164 contains special authority for Federal oversight of anti-discrimination provisions, which, under Department-wide regulations, the Secretary of Labor has delegated to the DOL Office of Civil Rights (OCR). Section 164 also recognizes the independent function of the DOL Office of the Inspector General (OIG) under the Inspector General Act, in conducting investigations to prevent fraud and misuse of funds. Finally, both Section 164 and 165 discuss oversight by the Office of the Comptroller General to evaluate expenditures to assure consistency with the requirements of JTPA.

Section 454 requires the Secretary to evaluate the effectiveness of all JTPA programs on a continuing basis. Evaluations are to

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assess statutory goals, performance, impact and service delivery of programs.

Oversight Policy

The Employment and Training Administration (ETA) intends to carry out its oversight responsibilities in recognition of the multi-level oversight environment provided for in the Act.

The ETA is committed to assuring that programs under JTPA, including Title V, are conducted consistent with Federal law and regulation. In effecting its oversight responsibilities, the ETA will monitor recipients with particular attention to those areas where the Secretary has a direct role, for example, ensuring program integrity, equal access, and assessing performance. The ETA's policy recognizes the significant responsibility of the States, and of the PIC's and local elected officials in monitoring JTPA, and consequently does not intend for its oversight system to supplant or duplicate State or local systems. It is the policy of the ETA to conduct oversight that verifies the development, utilization, and effectiveness of State oversight and follow-up processes.

ETA's oversight system will include review of State level activities as well as local level programs in a sample of SDA's to

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verify and validate that State systems are operating accurately and appropriately. Verification will confirm whether State systems conform in operation to design, and to statutory and regulatory requirements. Validation will confirm accuracy of State systems by corroborating with the system designs the data bases generated in operation.

ETA will coordinate its oversight activities with those of the OIG and the OCR within the Department, and will consult with the Office of the Comptroller General in the exercise of its responsibilities.

Initial Oversight Activities

Oversight was initiated before program operations began, when ETA staff joined field review teams with OIG staff and private CPA firms to complete pre-award surveys in all 57 States and territories serving as grantees for Title II and III JTPA programs.

This first phase was completed in September, 1983, and resulted in the identification of those States having satisfactory systems in place to bring JTPA on line as of October 1, 1983, and those States needing additional development in order to establish systems meeting statutory requirements. Findings of these pre-award surveys were shared with Governors and State officials

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promptly following field review, so that the States could begin to address system readiness problems.

During the second phase of ETA's oversight activity, ETA staff were dispatched in a nationally - directed effort to follow-up with each State to determine actions taken to address any problem findings from the pre-award surveys, and to assess whether steps had yet been effective in meeting deficiencies. Oversight work was linked with the offer of technical assistance from Federal resources and from organizations under contract with ETA to help in JTPA implementation. Field work for the follow-up surveys took place in January and February, 1984. Formal final reports of findings will be available to the States in March.

The ETA also moved ahead with plans to begin selective oversight during the remainder of the October 1983-June 1984 Transition Period, covering initially three priority areas: Cash Management practices at the State and subrecipient levels; discretionary Title III Displaced Worker Programs, and State operations under cost reimbursable agreements for specialized Wagner-Peyser Act programs. These three program areas will be the focus of ETA's on-site review activities during March-June 1984.

Planning and developmental work for the next phase of oversight -- to begin early in Program Year 1984 -- is now underway. This

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requires formulation of the overall oversight design, selection of elements for the total system, and preparation and field testing of review instruments for the elements identified.

Two major evaluations that are currently being conducted by the ETA under Section 454 are the Job Training Longitudinal Survey (JTLS) and the JTPA Process Evaluation. The JTLS collects data from a sample of 189 SDA's and from periodic surveys of participants. The JTPA process evaluation includes periodic studies of implementation in 20 States and 40 SDA's. A process evaluation will be started shortly to assess implementation of JTPA Title V Amendments to the Wagner-Peyser Act.

The Emerging Oversight Design

While oversight may develop across a broad spectrum of activities, for example, surveys on selected program areas and evaluations conducted under Section 454, ETA's present oversight focus is on Federally conducted on-site reviews. The long-term design for on-site reviews is being developed around three core systems:

- Integrity Systems
- Employment and Training Systems
- Labor Exchange Systems

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Each core system will be the subject of focused field work by ETA staff teams during pre-scheduled State reviews in PY 1984.

Each of these three core systems encompass the following elements:

Integrity Systems	Financial Management
	Cash Management
	State Audit
	Management Information Systems
	Cost Classification
	Procurement Management
	Grievance Procedures
Employment and Training Systems	Performance Standards
	Eligibility Determination
	State Monitoring
	Services to Target Groups
	State Job Training Coordinating Council
	Certification of Local PIC's
	Local Plan Approval
	Program Limitations
	Other Statewide JTPA Programs
	Summer Youth Activities
	Title II. Dislocated Worker Activities
Labor Exchange Systems	Wagner-Peyser Grant Plan and Compliance
	Reimbursable Grants

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The Review Process

ETA has established the following sequence for Federally-conducted on-site reviews:

(1) The State is provided advance notice of ETA's schedule for on-sight review visits, and sent informational copies of the review instruments.

(2) Advance notice will also be provided to those SDA's to be reviewed on a sample basis.

(3) The State is offered a briefing in advance of actual visits on the scope of on-site work, reviewers' data/information needs, and the approximate length of time needed to complete the oversight segment.

(4) At the close of the review, the State is offered an informal briefing on findings.

(5) A written report of findings and recommendations, as appropriate, will be transmitted to the State.

(6) Periodic follow-up reviews will be conducted.

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Phasing-In the Oversight Design

Plans call for phasing-in field review work for the balance of the oversight system starting in July 1984.

Core systems will be reviewed in each State at least once per year, but frequency and depth will vary depending upon the elements to be reviewed. For example, the importance of Cash Management will require, initially, monthly review of State balances and some sampling at the SDA level. Wagner-Peyser Cost Reimbursable Grants are being scheduled for quarterly review. The review of State Job Training Coordinating Councils, however, may be conducted on an as-needed basis following the initial oversight year.

The ETA will complete initial reviews in each core system by the end of Program Year 1984. Follow-up reviews will take place in Program Year 1984 and continue into Program Year 1985, during which a continuing cycle of core systems reviews will be scheduled. The overall approach to monitoring and the specific reviews conducted in each core area will be assessed on a continuing basis to assure that they respond to the agency's responsibilities and needs.

The following matrix summarizes the frequency and depth targets around which on-site review activities are being developed for Program Year 1984. It is estimated that about 70 to 85 percent of staff resources available for JTPA oversight in Program Year 1984 would be utilized to carry out plans described above.

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FREQUENCY/DEPTH OF ON-SITE REVIEW ACTIVITIES [1/]

CORE SYSTEM AND ELEMENTS	FREQUENCY				DEPTH					
					STATES		SDA/LO		OTHER	
	MONTH	QUARTER	ANNUAL	OTHER	ALL	SAMPLE	ALL	SAMPLE	ALL	SAMPLE
INTEGRITY SYSTEMS:										
Financial Management			X		X			X		
Cash Management	X				X			X		
State Audit			X		X					
Management Information Systems			X		X			X		
Cost Classification			X		X			X		
Procurement Management			X		X			X		
Grievance Procedures			X		X			X		X
EMPLOYMENT AND TRAINING SYSTEMS:										
Performance Standards			X		X			X		
Eligibility Determination			X		X			X		
State Monitoring			X		X			X		
Services to Target Groups			X		X			X		
State Job Training Coordinating Council [2/]				X		X				
Certification of Local PIC's			X		X					
Local Plan Approval			X		X					
Program Limitations			X		X					
Other Statewide JTPA Programs			X		X			X		
Summer Youth Activities			X		X			X		
Title III Displaced Worker Activities			X		X			X	X	
LABOR EXCHANGE SYSTEMS:										
Wagner-Peyser Grant Plan and Compliance		X			X			X		
Reimbursable Grants		X			X			X		

NOTES: 1/ This matrix excludes evaluations conducted pursuant to Section 454 of the Act.
2/ All States will receive initial review.

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UNEMPLOYMENT INSURANCE

No major changes are anticipated in the administration of the Unemployment Insurance (UI) program which involves:

- leadership and policy guidance to State agencies in the operation of the Federal-State UI program;
- providing direction in the administration of other wage-loss and adjustment assistance programs such as Trade Adjustment, Disaster Unemployment Assistance, unemployment benefits to ex-servicemen and Federal civilian workers;
- assessment of interpretation and application of Federal requirements for State conformity and compliance; and.
- funding and oversight of the administration of State and Federal programs.

However, with expanded staff resources in both the National and Regional Offices, ETA plans to undertake a major new initiative, beginning developmental work this year.

This initiative is called the UI Quality Control program which is a new venture to improve program quality and reduce errors by the States in the payment of unemployment compensation benefits and in the collections of tax revenues under the Federal Unemployment Tax Act. The program is an outgrowth of the UI Random Audit program and other program integrity initiatives implemented by ETA. The Quality Control program represents an enhancement of the Random Audit system to bring the UI system into the ranks of other Federal income maintenance programs which have introduced quality control programs over the past 20 years.

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ETA is currently examining the many design issues which a quality control effort presents, and expects to have an implementation plan available soon.

The following table identifies the resources we anticipate devoting to the quality control effort in 1984 and 1985 based on our current plans.

	1984	1985
Federal Staff	57	92
Dollars	$19,689,000	$23,352,400
National Activities	(3,889,000)	(6,652,400)
State Administration	(15,800,000)	(16,700,000)

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REORGANIZATION CHANGES

- With the reduction in ETA's ceiling - ETA has consolidated its components so that there are now 52 formal organizational units, a reduction of 19 from the current structure. (This is the net change, taking account of the addition of 3 units in UI for Quality Control and 4 in Office of Program and Fiscal Integrity for their expanded roles.)

- With the elimination of the Office of the Associate Assistant Secretary, six major components will report directly to the Assistant Secretary, which includes the Deputy Assistant Secretary.

- Unemployment Insurance Service (UIS)

  - Increased emphasis on program accountability led to a Quality Control initiative for which a new office and 2 divisions were established. This new group will be responsible for the design and implementation of a UI quality control system for which 32 positions were added to UI.

  - Other offices and divisions in UI remain the same.

- United States Employment Service (USES)

  The USES has reduced its 4 offices and 10 divisions to 4 divisions to operate more effectively. This will eliminate duplicative administrative and support positions. It also reflects the reduced responsibilities of this office (e.g. in the development of formula allotments, in the formulation of detailed planning instructions, etc.). The functions retained are those essential to operating the Public Employment Service system, with greater relative emphasis in areas, such as the Dictionary of Occupational Titles, in which the Secretary has specific responsibility.

- Office of Trade Adjustment Assistance

  The basic organizational structure of 2 divisions and a reports staff will remain the same.

- Office of Regional Management

  Functions and structure remain the same with responsibility for the 10 ETA Regions.

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o OCET (retitled Office of Job Training Programs - OJTP)

- OETP: With the phaseout of CETA and reduced Federal role for JTPA, a major reduction in staff was taken in the Office of Employment and Training Programs which now has been reduced from an office with 4 divisions to an office with 2 divisions.

- OSTP: The Office of Special Targeted Programs, however, will continue at approximately the same level and with the same organizational structure for its programs:

  - o Indians and Native Americans
  - o Older Workers
  - o Farmworkers

- Job Corps: A program for severely disadvantaged youth, this organization combines its 3 divisions into 2 to achieve some management efficiencies, while retaining basic functions.

- BAT: BAT has combined its 2 formal divisions in the National Office and will operate directly with the BAT Regional Offices. In the field the BAT reductions will be achieved by more efficient utilization of administrative and support staff. Only one currently staffed area office will be closed and that in a State Apprenticeship Committee (SAC) State.

Office of Program and Fiscal Integrity (OPFI)

Reflecting the continuing emphasis on program accountability, OPFI has greatly expanded responsibilities. The previous Special Counselor Staff is combined with the Audit and Closeout functions (44 staff transferred from OFCMS) into the new OPFI which is established with 4 divisions.

Office of Financial Control and Management Systems

- This office remains essentially the same except for the transfer of the Audit and Closeout function to OPFI. Financial policy remains in the Comptroller's office.

- In the Office of Management Information Systems, 3 divisions were reduced to 2 divisions with the merging of systems design with reporting operations.

Office of Strategic Planning and Policy Development

- Public affairs and correspondence functions (ETACS) were added to this office from other areas of ETA.

- OSPPD will continue to carry out its primary responsibilities with fewer staff. The responsibilities of this office have been reduced significantly. With the reduction in the agency's policy formulation responsibilities and the reduced funding for research and demonstration activities, there is a lessened demand for staff in this area.

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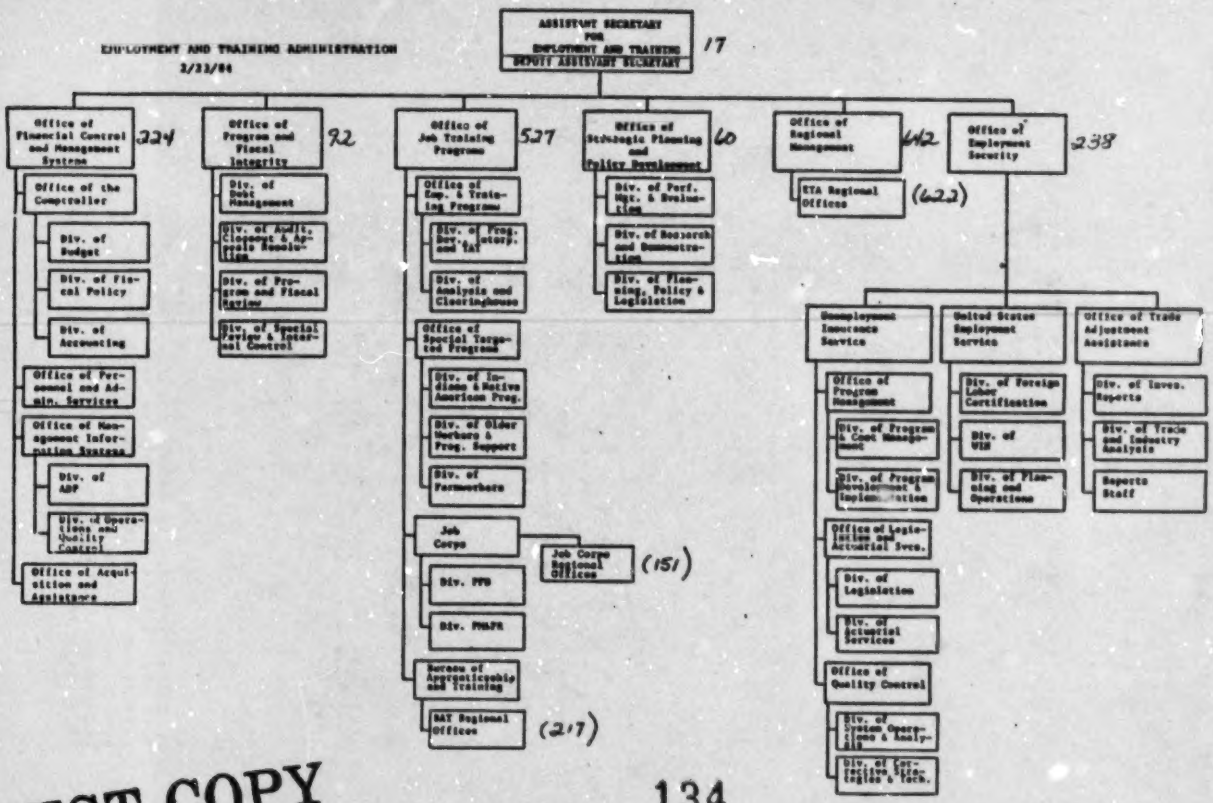
EMPLOYMENT AND TRAINING ADMINISTRATION
2/23/84
ASSISTANT SECRETARY FOR EMPLOYMENT AND TRAINING
DEPUTY ASSISTANT SECRETARY
17
Office of Financial Control and Management Systems
224
Office of the Comptroller
Div. of Budget
Div. of Fiscal Policy
Div. of Accounting
Office of Personnel and Admin. Services
Office of Management Information Systems
Div. of ADP
Div. of Operations and Quality Control
Office of Acquisition and Assistance
Office of Program and Fiscal Integrity
92
Div. of Debt Management
Div. of Audit, Closeout & Appeals Resolution
Div. of Program and Fiscal Review
Div. of Special Foreign & Internal Control
Office of Job Training Programs
527
Office of Emp. & Training Programs
Div. of Prog. Dev., Interp. and TAT
Div. of Analysis and Clearinghouse
Office of Special Targeted Programs
Div. of Indians & Native American Prog.
Div. of Older Workers & Prog. Support
Div. of Farmworkers
Job Corps
Job Corps Regional Offices
(15)
Div. PPB
Div. PMAPR
Bureau of Apprenticeship and Training
BAT Regional Offices
(21)
Office of Strategic Planning and Policy Development
60
Div. of Perf. Mgt. & Evaluation
Div. of Research and Demonstration
Div. of Planning, Policy & Legislation
Office of Regional Management
442
ETA Regional Offices
(62)
Office of Employment Security
238
Unemployment Insurance Service
Office of Program Management
Div. of Program & Cost Management
Div. of Program Development & Implementation
Office of Legislation and Actuarial Svcs.
Div. of Legislation
Div. of Actuarial Services
Office of Quality Control
Div. of System Operations & Analysis
Div. of Coordination, Liaison & Tech.
United States Employment Service
Div. of Foreign Labor Certification
Div. of VIS
Div. of Planning and Operations
Office of Trade Adjustment Assistance
Div. of Investigations & Reports
Div. of Trade and Industry Analysis
Reports Staff

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Mr. SPRATT. We are interested in the derivation of the number 2,000.

Mr. CASILLAS. Yes, I understand.

Mr. SPRATT. OK.

We would also like to have any accompanying organizational charts that would allow us to understand the method, the reasons, the underlying rationale.

Mr. CASILLAS. You mean our current charts?

Mr. SPRATT. For your current charts, right.

Mr. CASILLAS. I will do so.

Mr. SPRATT. Without objection, the record will remain open to receive that.

[The material follows:]

Organization charts for ETA prior to the May 1984 reorganization and RIF, and after the reorganization, are attached.

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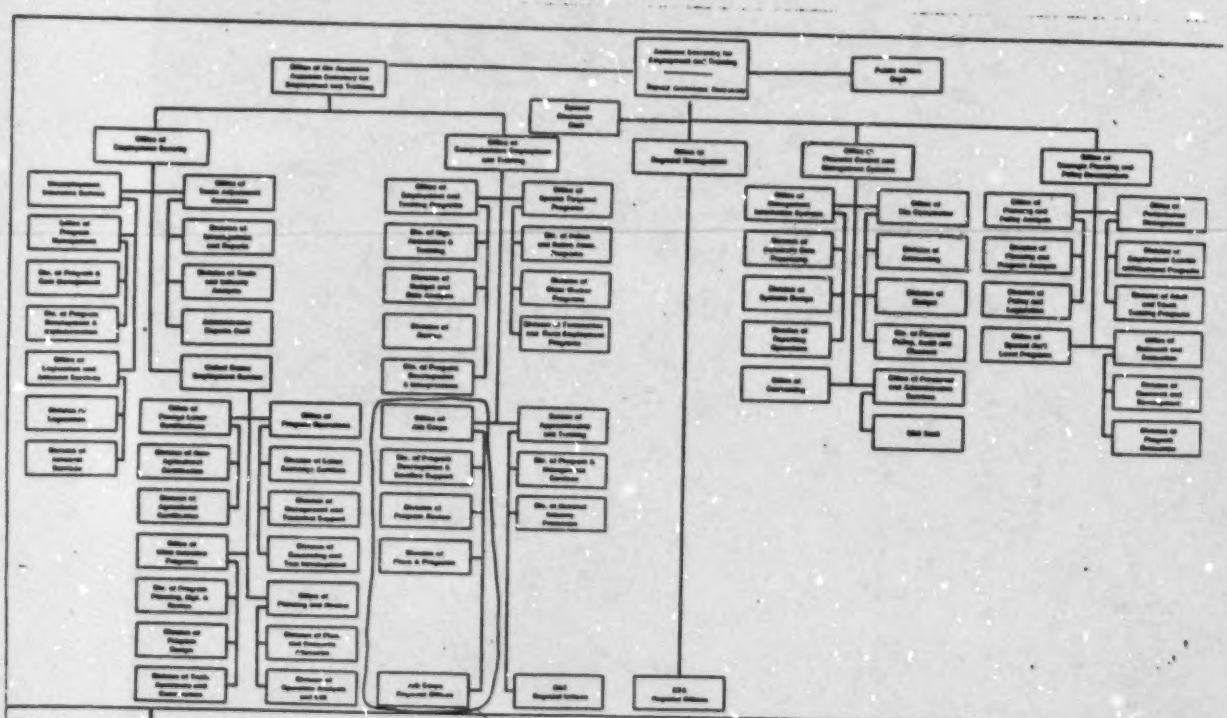

Date: AUGUST 1983 | EMPLOYMENT AND TRAINING ADMINISTRATION, DOL | Chart No.

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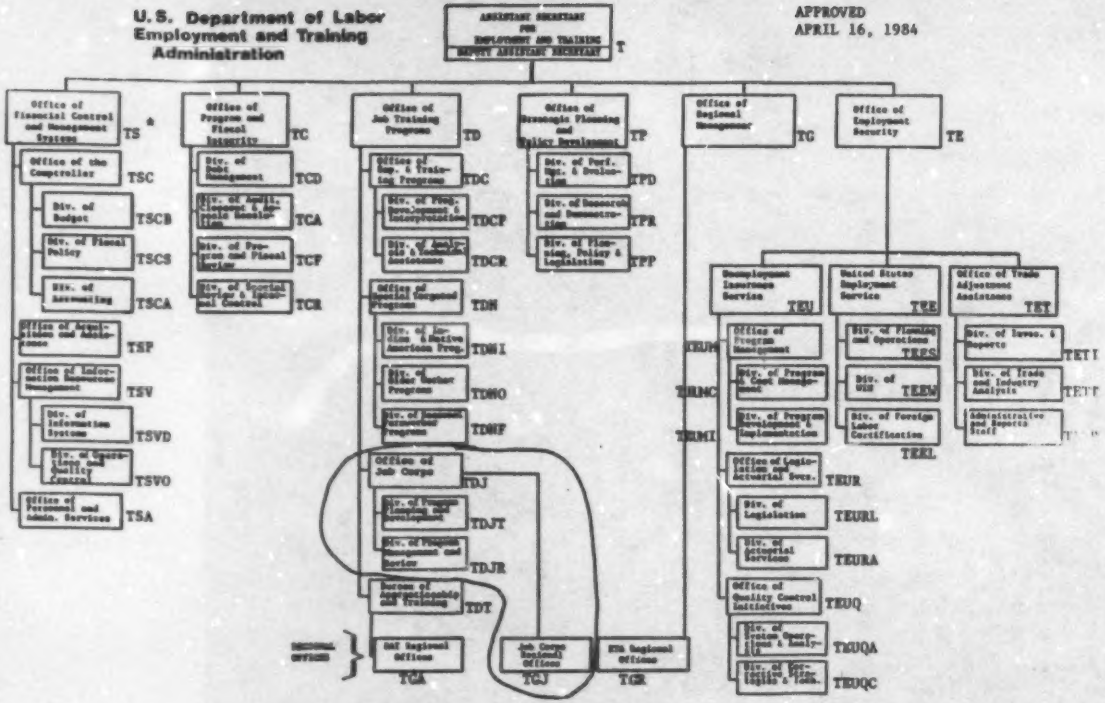
U.S. Department of Labor
Employment and Training Administration

APPROVED
APRIL 16, 1984



OPAS, OFCMS

* correspondence symbol

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Mr. SPRATT. Of course, this begs the question. You were at 2,000 then. That was indicated to be the norm, to be the recommended level. And since that testimony, ETA has cut back to 1,839, I believe. I am talking off the top of my head.

Mr. CASILLAS. That is correct.

Mr. SPRATT. How do you justify cutting below the norm by that significant an extent?

Mr. CASILLAS. I can't respond to the study since I am not familiar with it or that I have not even seen the study. I will check on the study.

In terms of the number of 1,800, this is what was submitted in the Presidential budget request. We came before the hearing. I was not here, but the hearing covered staffing. I think it was pretty well covered as to that.

Mr. SPRATT. I would like your response from ETA as to how you reconcile personnel actions cutting from 2,000 down to 1,839 with the language contained in House Report 98-357 and Senate Report 98-247, which appear to me to limit ETA cuts to a level of 2,000 and less without further congressional approval or at least committee concurrence.

And if you could provide for the record also just an explanation of--we have had two phenomena here. One is a quantity and the other is a quality phenomenon in the reorganization. If you could give us an organizational chart of your 44 members now and also your regionals and show us where these people came from who don't have any other experience who now are filling essential Job Corps positions, it would be interesting for us to see that. Maybe it bears on RIF policy. Maybe it bears on further legislation about RIF policies.

Without objection, the record will remain open to receive that response.

[The material follows:]

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FY 1984 Appropriations Committee reports (House Report 98-357 and Senate Report 98-247) approved 2,009 positions for ETA. How do you reconcile the RIF with the language in these reports?

The FY 1984 appropriation request was prepared and discussed with the Congress shortly after JTPA was enacted, while implementation regulations were being written, and before operations began. This 1984 request envisioned a RIF of 147 staff. After the Federal Regulations were put in place, it was clear that a further reduction in staffing levels would be needed align staffing with expected workloads. It was also clear that a restructuring of ETA was required to reflect the reduced Federal role and to achieve management economies and efficiencies.

Reorganizations and reductions-in-force are by their nature disruptive events. To minimize the disruption to ETA staff and to allow ETA to begin functioning in a stablized fashion, a decision was made to effect a single management action in 1984, rather than have two RIFs, one in 1984 and one in 1985. The RIF action put into place a comprehensive reorganization of ETA staff and achieved the desired staffing levels, which could not be achieved through normal attrition.

I would also like to stress that in no way is the Department changing its programs, as approved in the 1984 appropriation. Our plans, as we indicated to the appropriations committees, would still utilize all funds provided in the 1984 appropriation.

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Attachment "A" includes organization charts for the Job Corps national and regional offices reflecting staffing as of October 15, 1984. Staff who bumped in as a result of the May 1984 reduction-in-force are designated as Status "2", vacancies are noted as Status "3"; the remaining staff were in Job Corps prior to the RIF.

It should be noted that the vast majority of staff who bumped into the Job Corps national office during the RIF have extensive experience with other nationally administered programs (such as Migrant and Seasonal Farmworkers and the Older Worker Program) or the Employment Service, thus their skills and background are very similar to that of Job Corps staff. Staff who bumped into the regional offices in May 1984 generally reflect the same types of background and experience. Although an additional 17 staff bumped into Job Corps regional offices during the October 1983 reorganization, we do not consider them to be "new" to the program since they have been in their current positions for one full year and are totally familiar with Job Corps procedures and requirements.

We are providing the newer national and regional office staff with Job Corps-specific training, and there has not been any significant diminution in the quantity or quality of assistance provided to Regions and center operators nor any negative impact on the overall administration of the Job Corps program.

We are actively recruiting to fill the two vacancies noted in the National Office. Selections have been made for four of the nine vacant positions in the Regional Offices, and we are recruiting to fill the remaining five.

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Employment and Training Administration
Office of Job Training Programs
Office of Job Corps

Division/ Unit	Position	Series/ Grade	Status	Immediate Comments/Previous Experience
OFFICE OF THE DIRECTOR	Director	SES-142-4	1	-
	Secretary	GS-318-08	1	-
	Secretary	GS-318-07	1	-
	Program Analyst	GS-345-13	2	GS-0142-13, Farmworker Programs
Division of Program Planning and Development	Division Chief	GM-0142-15	1	-
	Secretary	GS-318-06	1	-
Health Services Unit	Medical Director	GM-602-15	1	-
	Consulting Nurse	GS-610-12	1	-
Education and Enrollee Support Unit	Unit Chief	GM-1710-14	1	-
	Secretary	GS-318-05	N/A	Hired to Fill Vacancy 9/84
	Education Specialist	GS-1710-13	1	-
	Education Specialist	GS-1710-13	1	-
	Manpower Development Specialist	GS-142-13	1	-
	Manpower Development Specialist	GS-142-12	1	-
	Manpower Development Specialist	GS-142-12	1	-
	Manpower Development Specialist	GS-142-12	1	-
	Manpower Development Specialist	GS-142-11	3	Employee bumped in during RIF; was subsequently repromoted to a position in another component of ETA
	Education Specialist	GS-1710-11	1	-

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Division/ Unit	Position	Series/ Grade	Status	Immediate Comments/Previous Experience
National Programs and Planning Unit	Unit Chief	GM-0142-14	1	-
	Secretary	GS-318-05	1	-
	Manpower Development Specialist	GS-142-13	2	GS-142-13, Farm-worker Programs
	Manpower Development Specialist	GS-142-13	1	-
	Program Analyst	GS-345-12	2	GS-345-12, Indian and Native American Programs
	Manpower Development Specialist	GS-142-12	1	-
	Manpower Development Specialist	GS-142-12	1	-
	Manpower Development Specialist	GS-142-12	2	GS-142-13, Older Worker Programs
	Program Analyst	GS-345-09	1	-
Division of Program Management and Review	Division Chief	GM-345-15	2	GM-345-15, United States Employment Service, Planning and Operations
	Secretary	GS-318-06	2	Planning, Policy and Legislation
Program Review Unit	Unit Chief	GM-345-14	1	-
	Secretary	GS-318-05	1	-
	Program Analyst	GS-345-13	1	-
	Program Analyst	GS-345-13	1	-
	Program Analyst	GS-345-12	2	GS-0142-13, Work Incentive Programs
	Computer Systems Analyst	GS-334-12	3	Employee bumped in during RIF; was subsequently repromoted to a position in another component of ETA

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Division/ Unit	Position	Series/ Grade	Status	Immediate Comments/Previous Experience
Program Review Unit (Cont'd)	Program Analyst	GS-345-11	2	GS-345-11, Employment and Training Programs
	Statistics Assist.	GS-1531-06	1	-
	Statistics Assist.	GS-1531-04	1	-
Program Management Unit	Unit Chief	GM-345-14	1	-
	Secretary	GS-318-05	1	-
	Budget Analyst	GS-560-13	1	-
	Cost Accountant	GS-510-13	1	-
	Program Analyst	GS-345-12	2	GS-345-12, U.S. Employment Service
	Program Analyst	GS-345-12	2	GS-142-13, Employment and Training Programs
	Budget Analyst	GS-560-11	1	-
	Procurement Analyst	GS-1102-09	1	-

Status:

1: Incumbent was in Office of Job Corps prior to RIF

2: Incumbent bumped in during May 1984 RIF from another ETA component

3: Vacancy

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Office of Job Corps
Region I

Position	Series/Grade	Status*	Comments/	Immediate Previous Position
Regional Director	GM-0142-14	1		-
Deputy Regional Director	GM-0142-13	1		-
Project Manager	GS-0142-12	1		-
Admin. Officer	GS-0341-12	1		-
Program Analyst	GS-0345-12	1		-
Selection/Assignment	GS-0142-11	1		-
Placement Spec.	GS-303-07	1		-
Secretary	GS-318-06	1		-
Program Assistant	GS-303-05	1		-

*Status:

1: Incumbent was in Job Corps prior to May 1984 RIF

2: Position filled by individual who "bumped" in from another component of ETA

3: Vacancy

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Office of Job Corps
Region II

Position	Series/Grade	Status*	Comments/Previous Position
Regional Director	GM-0142-15	1	-
Deputy Regional Director	GM-0142-14	3	Incumbent resigned 8/84
Secretary	GS-318-06	2	GS-341-06
Contract Specialist	GS-1102-12	1	-
Administrative Officer	GS-341-09	2	GS-341-09, Admin. Services
Secretary	GS-318-05	3	Vacancy Advertised
Project Manager	GS-0142-13	1	-
Project Manager	GS-0142-12	1	-
Project Manager	GS-0142-12	1	-
Project Manager	GS-0142-12	2	GS-0142-12, JTPA
Supv. Outreach, Screening, Placement	GS-0142-12	2	GS-0142-12, JTPA
Program Assistant	GS-303-07	1	-
Program Assistant	GS-303-06	1	-
Field Program Specialist	GS-0142-09	1	-

*Status:

1: Incumbent was in Job Corps prior to RIF

2: Position filled by individual who "bumped" in from another component of ETA

3: Vacant

Note: Deputy is key position. Will be filled through reassignment or repromotion, but must be someone with strong procurement/contract administration background.

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Office of Job Corps
Region III

Position	Series/Grade	Status*	Comments/ Immediate Previous Position
Regional Director	GM-0142-15	1	-
Asst. Regional Director	GM-0142-14	1	-
Asst. Regional Director	GM-0142-13	1	-
Secretary	GS-0318-06	1	-
Secretary	GS-0318-05	1	-
Secretary	GS-0318-05	1	-
Contract Specialist	GS-1102-12	1	-
Property Mgmt. Spec.	GS-1103-12	1	-
Administrative Officer	GS-0341-07	1	-
Manpower Development Spec.	GS-0142-11	3	Vacancy advertised
Records Clerk	GS-0303-05	1	-
Project Manager	GS-0142-13	1	-
Project Manager	GS-0142-12	1	-
Project Manager	GS-0142-12	1	-
Project Manager	GS-0142-12	1	-
Project Manager	GS-0142-12	1	-
Field Program Spec.	GS-0142-11	1	-
Field Program Spec.	GS-0142-11	1	-
Field Program Spec.	GS-0142-11	3	Vacancy announced; selection has been made, but employee has not yet reported

*Status

1: Incumbent was in Job Corps prior to May 1984 RIF

2: Position filled by individual who "bumped" in from another component of ETA

3: Vacancy

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Office of Job Corps
Region IV

Position	Series/Grade	Status*	Comments/ Immediate Previous Position
Regional Director	GM-0142-15	1	-
Deputy Regional Director	GM-0142-14	1	-
Asst. Regional Director	GM-0142-13	1	-
Secretary	GS-318-06	1	-
Secretary	GS-318-05	1	-
Contract Specialist	GS-1102-12	1	-
Contract Specialist	GS-1102-12	1	-
Program Analyst	GS-345-12	1	-
Program Specialist	GS-0142-11	1	-
Program Specialist	GS-0142-11	1	-
Unit Supervisor	GS-307-07	1	-
Records Clerk	GS-303-05	1	-
Records Clerk	GS-303-05	1	-
Records Clerk	GS-303-05	1	-
Secretary	GS-318-05	3	Position posted; selection has been made; employee has not yet reported
File Clerk	GS-305-05	1	-
File Clerk	GS-305-05	1	-
Accounting Tech.	GS-525-05	1	-
Clerk Typist	GS-322-04	1	-
Project Manager	GS-0142-13	1	-
Project Manager	GS-0142-13	1	-
Project Manager	GS-0142-13	1	-
Project Manager	GS-0142-13	1	-
Project Manager	GS-0142-12	1	-
Project Manager	GS-0142-12	1	-
Project Manager	GS-0142-12	2	GS-0142-12, JTPA
Project Manager	GS-0142-12	1	-
Project Manager	GS-0142-11	1	-
MDS	GS-0142-12	2	GS-0142-12, Employment Service
Clerk Typist	GS-322-04	3	Position posted; selection has been made; employee has not yet reported

*Status:

1: Incumbent was in Job Corps prior to May 1984 RIF
2: Position filled by individual who "bumped" in from another component of ETA
3: Vacancy

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Office of Job Corps
Region V

Position	Series/Grade	Status*	Comments/ Immediate Previous Position
Regional Director	GM-0142-15	1	-
Deputy Regional Director	GM-0142-14	1	-
Project Manager	GS-0142-13	1	-
Project Manager	GS-0142-13	1	-
Project Manager	GS-0142-13	1	-
Project Manager	GS-0142-12	1	-
Admin/Fiscal Officer	GS-0142-12	1	-
Field Program Spec.	GS-0142-11	1	-
Field Program Spec.	GS-0142-11	1	-
Selection/Assignment	GS-0142-11	1	-
Program Assistant	GS-303-07	1	-
Program Assistant	GS-303-07	1	-
Secretary	GS-318-07	1	-
Secretary	GS-318-05	1	-
Secretary	GS-318-05	1	-

*Status:

1: Incumbent was in Job Corps prior to May 1984 RIF

2: Position filled by individual who "bumped" in from another component of ETA

3: Vacancy

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Office of Job Corps
Region VI

Position	Series/Grade	Status*	Comments/ Immediate Previous Position
Regional Director	GM-0142-15	N/A	Position was filled following retirement of incumbent
Deputy Regional Director	GM-0142-14	1	-
Asst. Regional Director	GM-0142-13	1	-
Secretary	GS-0318-06	1	-
Secretary	GS-0318-05	1	-
Secretary	GS-0318-05	1	-
Contract Specialist	GS-1102-12	1	-
Program Analyst	GS-0345-12	3	Vacancy advertised
Industrial Property Mgmt. Officer	GS-1103-11	2	GS-142-11, Job Service
Records Clerk	GS-303-05	1	-
Project Manager	GS-0142-13	1	-
Project Manager	GS-0142-12	1	-
Project Manager	GS-0142-12	1	-
Project Manager	GS-0142-12	1	-
Project Manager	GS-0142-12	1	-
Field Program Spec.	GS-0142-11	1	-
Field Program Spec.	GS-0142-11	1	-
Field Program Spec.	GS-0142-11	1	-
Field Program Spec.	GS-0142-11	1	-
Placement Assistant	GS-303-07	1	-
Sal./Assignment Asst.	GS-303-07	3	Vacancy advertised

*Status:

1: Incumbent was in Job Corps prior to May 1984 RIF

2: Position filled by individual who "bumped" in from another component of ETA

3: Vacancy

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Office of Job Corps
Region VII

Position	Series/Grade	Status*	Comments/ Immediate Previous Position
Regional Director	GM-0142-14	1	-
Deputy Regional Director	GM-0142-13	1	-
Project Manager	GS-0142-11	1	-
Project Manager	GS-0142-12	1	-
Contract Specialist	GS-1102-12	1	-
Secretary	GS-318-06	1	-
Enrollee Processing Asst.	GS-303-05	1	-
Enrollee Processing Asst.	GS-303-05	1	-
Secretary	GS-318-05	1	-

*Status:

1: Incumbent was in Job Corps prior to May 1984 RIF

2: Position filled by individual who "bumped" in from another component of ETA

3: Vacancy

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Office of Job Corps
Region VIII

Position	Series/Grade	Status*	Comments/ Immediate Previous Position
Regional Director	GM-0142-14	1	-
Financial Advisor	GS-0501-12	1	-
Project Manager	GS-0142-12	1	-
Project Manager	GS-0142-12	1	-
Project Manager	GS-0142-12	1	-
Secretary	GS-318-06	1	-
Field Program Spec.	GS-0142-11	1	-
Field Program Spec.	GS-0142-11	1	-
Behav. Review Spec.	GS-0142-09	3	Vacancy announced; selection has been made, but employee has not yet reported

*Status:

1: Incumbent was in Job Corps prior to May 1994 RIF

2: Position filled by individual who "bumped" in from another component of ETA

3: Vacancy

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Office of Job Corps
Region IX

Position	Series/Grade	Status*	Comments/ Immediate Previous Position
Regional Director	GM-0142-15	1	-
Deputy Regional Director	GM-0142-14	1	-
Secretary	GS-0318-05	1	-
Contract Specialist	GS-1102-12	1	-
Program Manager	GS-0142-13	1	-
Program Manager	GS-0142-13	1	-
Program Manager	GS-0142-13	1	-
Program Manager	GS-0142-12	2	Employee was bumped out of Job Corps in an earlier RIF, and reassigned to Job Corps in May 1984
Field Program Spec.	GS-0142-11	1	-
Field Program Spec.	GS-0142-11	1	-
Field Program Spec.	GS-0142-11	1	-
Selection/Assignment	GS-0142-11	1	-
Selection/Assignment Asst.	GS-303-06	1	-
Clerk	GS-322-04	1	-
Placement/Transp.	GS-0142-09	1	-
Clerk	GS-303-04	1	-

*Status:

1: Incumbent was in Job Corps prior to May 1984 RIF

2: Position filled by individual who "bumped" in from another component of ETA

3: Vacancy

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Office of Job Corps
Region X

Position	Series/Grade	Status*	Comments/ Immediate Previous Position
Regional Director	GM-0142-14	1	-
Deputy Regional Director	GM-0142-13	1	-
Contract Specialist	GS-1102-12	1	-
Project Manager	GS-0142-12	2	GS-0142-13, Employment Service
Project Manager	GS-0142-12	2	GS-0142-13, Employment Service
Field Program Spec.	GS-0142-11	1	-
Selection/Assignment/ Placement	GS-0142-11	1	-
Secretary	GS-318-06	1	-
Secretary	GS-318005	1	-

*Status:

1: Incumbent was in Job Corps prior to May 1984 RIF

2: Position filled by individual who "bumped" in from another component of ETA

3: Vacancy

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Mr. SPRATT. Mr. Casillas, in 1968, going way back in the Job Corps, Congress directed the Secretary to take steps to achieve an enrollment of women in the Job Corps at a percentage level of 50–50.

Mr. CASILLAS. Yes, sir.

Mr. SPRATT. Sixteen years have passed. I don't think that goal has ever been achieved, and I believe today the split is 63–37—37 percent women in the Job Corps.

Why is that and what are you doing to correct it?

Mr. CASILLAS. We have had several meetings with regard to that particular issue within the national office with Peter and his people. They have issued notices out to the regions to try to correct this situation, and all I can say is that an attempt is being made to get to the 50/50 level. I just think it has been difficult to do that personally, as I visit the centers themselves.

Mr. SPRATT. When you say "an attempt," can you detail what you mean by the attempt?

Mr. CASILLAS. Peter can because he is the one that sent it out. Peter, do you want to tell them what you did?

Mr. RELL. There are two difficulties with increasing the enrollment of women that the staff keep telling me about. It is sort of a chicken-and-egg situation. I am not sure which obtains.

One is the difficulty in recruitment of females. Previous studies have shown and consultants have told us that it is more difficult to persuade young females particularly of minority age, to leave their homes and go reside some distance away at a Job Corps center and that poses a difficulty in the inflow.

The other train of thought is that the training opportunities that are present at the Job Corps centers are not sufficiently mixed to be attractive to potential female enrollment.

We have done two things. No. 1, we have increased the goals for female recruitment in all of our recruitment contracts. We have put a premium payment on the recruitment of females, recognizing that it is more difficult to seek them out and to recruit them.

That is to address the inflow area.

At the other end, the vocational area on the centers, we recently completed a comprehensive vocational review to see which occupations were faring better or worse and whether or not we are training for jobs in 1990.

In the process of making changes to remove occupations that do not appear to be doing well or have a great deal of future potential and replacing them with new ones, we are paying close attention to the nature of those occupations to increase the number of vocational offerings at Job Corps centers which would be more attractive to female applicants.

So, we are attacking both ends of that chicken-and-egg situation, and I hope that we are successful.

The vocational changes will take some time to implement because we are now in the process of making those on a center-by-center basis, and it requires new instructors, new curricula, new equipment. I would hope that by the end of program year 1985 that we will see a substantial increase in the percentage of female enrollment.

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We have targeted that quite specifically, and that is one of my high priority directives to my regional directors and other staff to accomplish that. I don't forecast, Mr. Spratt, that we will reach 50–50 by the end of program year 1985, but I expect to see some improvement.

Mr. SPRATT. Thank you very much for that answer.

Yesterday, a continuing resolution, so-called, passed this House with a number of additional provisions. One of them was a provision concerning the contracting out of the civilian conservations centers.

What is your position with regard to the language contained in fiscal year 1985 appropriations committee report amplified by colloquoy between the late Chairman Carl Perkins and appropriations subcommittee Chairman Natcher that "Congress does not intend to see the total operation of any civilian conservation center turned over by the Federal Government to private contractors"?

Mr. CASILLAS. Mr. Chairman, the data I have would indicate that it is more expensive to run the civilian conservation corps centers than those run by private contractors. We are talking about a difference, I think, per corps member of about $2,000. In total for the 30 conservation centers, we are talking about a difference of about $14 million.

It is my approach—again, going back to my experience in private industry—to try and see if we can't get a better return on our investment.

It is my intent, under A–76—and we have been in contact with Interior and Agriculture—our Undersecretary Mr. Ford has contacted their deputy secretary and there is agreement that we ought to put together a team and then go out looking at what kind of duties are required, what kind of roles and disciplines are required to run a center and go out and have private industry contractors come in and give us a bid and have Ag and Interior also do the same thing and take a hard look at it.

From where I am coming from, if we can provide the same service, the same quality at a lower cost, then I think you would agree, Mr. Spratt, that as far as the U.S. Government is concerned we ought to take a look and see where we can best provide that service and quality——

Mr. SPRATT. But the premise is same service, same quality.

Mr. CASILLAS. Absolutely. Without a doubt I am talking about service and quality being exactly the same and where can we get the best return for our investment?

In A–76 all we are suggesting is that we do a feasibility study. Let's take a look at it. Let's have these people come in and tell us what they are going to run it for and have Ag and Interior do the same thing. That is all we are suggesting—a feasibility study in conjunction with a task force put together by Interior, Ag, and the Labor Department.

I find nothing wrong with that approach, coming from private industry.

Mr. WEISBERG. I trust that you will abide by the will of Congress. The continuing resolution passed by Congress has specific language that prohibits any additional contracting out.

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Mr. CASILLAS. It goes without saying that I always abide by Congress.

Mr. WEISBERG. I am happy to hear that there will be no insubordination.

Mr. CASILLAS. I would never participate in insubordination.

Mr. WEISBERG. At present there are two vacancies in the national office and nine vacancies in the regional offices in the Job Corps Program. You have responded to us that you are actively recruiting to fill those slots.

Can you explain to me why the experienced people who have worked in the Job Corps previously and who have been RIF'd or downgraded and who are working in other programs, why they haven't been put in those positions? It would seem to make sense.

Mr. CASILLAS. I wish somebody would explain the RIF process to me and why it is the way it is.

First of all, I was kind of surprised at the way the U.S. Government does a RIF.

What we are doing now is actually looking, and we are trying to find the best people available to fill those slots.

Obviously the only answer to that question is that we didn't have the right people to put in there. That has got to be the only answer. We didn't have the qualified people to put in there.

Mr. WEISBERG. Correct me if I am wrong——

Mr. CASILLAS. But we are going to put good people in there.

Mr. WEISBERG. Those people are currently working in the ETA, and why haven't they been selected? I know that the RIF has taken place, but now you have positions that have not been filled in the Job Corps Program.

Mr. CASILLAS. You are making an assumption that because they are there that they have to be the best people. That is an assumption. It is not necessarily correct.

Mr. WEISBERG. But it is based on experience.

Mr. CASILLAS. I am running the show, and I can assure you that I am going to put the best people in those slots.

It doesn't mean because he is there that he is going to get the job. That is not the way I work. Those slots are open for obvious reasons because we are looking for the best people to fill them. Just because they are there, I am not going to place them.

Mr. WEISBERG. Is experience a factor to be considered?

Mr. CASILLAS. Experience is a factor; it is not the total answer. I would never hire somebody for a top slot only because he has experience. If he is the best qualified individual, then there are a lot of other factors besides experience. How good is he? Not just because he has experience. That is what we are going to do. We are going to fill those slots with the best people who can do the best job for the Job Corps.

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Mr. SPRATT. Thank you for your testimony. We have no further questions.

Mr. CASILLAS. Thank you for inviting me, and I will provide all the information you requested.

Mr. SPRATT. Thank you very much.

This concludes the hearing. Thank you all for coming. We thank all the witnesses who participated. Thank you very much.

[Whereupon, at 12:20 p.m., the subcommittee adjourned, to reconvene subject to the call of the Chair.]

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APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

MEMORANDUM FOR: PATRICK J. O'KEEFE
Deputy Assistant Secretary of Labor

FROM: ROBERTS T. JONES
Administrator
Office of Job Training Programs

SUBJECT: Job Corps Staffing Levels

This is a follow-up to my recent conversation with you regarding Job Corps staffing levels.

The purpose of this memorandum is to ask you to consider allocating additional staff resources to Job Corps for increased monitoring of Job Corps center contracts and outreach/screening and placement contracts.

It is evident that ETA is currently below its FY 84 and FY 85 staff ceiling level. Before authorizing the hiring of additional staff against existing ceiling distributions for the various program areas, I believe a good case can be made for adjusting the allocation of our ceiling positions in favor of increased monitoring in Job Corps.

As you know, we have instituted a much more stringent oversight policy to complement the policy on increased competition for Job Corps contracts. Intensive follow-up conducted (sometimes with the help of Dave Williams' staff) on problems surfaced at a number of centers (e.g., Old Dominion, Prestonsburg, Woodstock, Gainesville, South Bronx) indicates that the level of ongoing monitoring and comprehensive center reviews by the regional offices has not been adequate to identify problems at an early stage. This assessment is complemented by OIG audit findings which consistently recommend increased monitoring of centers as well as outreach/screening and placement contracts. It seems clear from all indications that we are not doing a fully adequate job of monitoring.

The natural question is whether existing resources have been properly prioritized and allocated to the monitoring function or whether the shortfall is due to the limitation on overall resources. We have carefully reviewed this aspect by (1) looking at the overall level historically against an assessment of overall workload and (2) conducting a detailed workload study identifying discrete functions/tasks, associated workload factors and time requirements.

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Overall Staffing Levels and Workload

The history of Job Corps Regional and National Office staff levels is as follows:

	Staffing Level RO	Staffing Level NO	Centers	Slots	OSP Contracts
FY 77	253	73	61	22,225	65
78	239	78	66	25,021	65
79	205	77	90	33,997	65
80	226	66	99	36,672	65
81	222	66	106	42,414	65
82	161	59	106	40,675	70
83	161	54	107	40,544	72
84	151	46	107	40,544	74

It is readily apparent that the staffing levels and workload related figures move in opposite directions. Since 1977, staff reductions of approximately -40% have taken place while the number of centers has increased (+75%) as well as slots (+82%) and Outreach/Screening/Placement contracts (+14%).

At this point, Job Corps Regional Offices have one and half staff per center to conduct procurements, monitor results, process invoices, control property, screen and transport corpsmembers, administer OSP contracts, complete reports, etc. and type and file all of the above. In 1977, this figure was 4.1 regional staff per center. In addition to the pure staff/center or workload relationships, it is important to realize that substantial changes in the nature of the work expected and performed have taken place.

- we have implemented a policy of full competition versus sole source procurement for centers
  - competitive procurements represent a much higher workload
  - this has been accompanied by a substantial number of protests and lawsuits (while we've won them all, the price has been additional time and effort)
  - the procurement process itself has become more sophisticated and elaborate

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- we have increased competition for outreach/screening, placement and support contracts
  - we plan to fully compete all current sole source contracts with FESAs when contract option years expire which will add further to existing workloads
- we have substantially reduced (practically eliminated) technical assistance and training support contracts which supplemented Federal staff resources
- support from other Federal sources is declining (e.g., OASAM has notified us that due to OASAM staff reductions they will no longer be able to conduct safety and health reviews of centers at the present level and that Job Corps regions must pick up the slack)
- we have demanded and have obtained closer financial management
- we have instituted increased scrutiny and management of serious incidents
- we have increased audit coverage substantially resulting in additional workload for input to audit resolution
- we have underway important and workload intensive national initiatives including substantial changes in vocational offerings, comprehensive revision of all Job Corps issuances, further refinements of the procurement process, instituting a comprehensive facilities policy, strengthening center reviews, etc.

These are all legitimate workload increases. Efforts have been made to achieve off-setting efficiencies including decentralization of some functions to centers (e.g., recordkeeping and retention, initial transportation of corpsmembers) and automation of routine functions in the regions. These, however, have not been sufficient to offset 40+% staff reductions during a period of substantial increase in workload and cannot, in reality, be expected to compensate.

Detailed Workload Study

We conducted a detailed study of regional office workloads and identified 50 discrete functions/tasks, associated workload factors and time requirements. This involved a close examination of each major required function in the regions (e.g., reviewing eligibility; selection and assignment of applicants to specific centers; transportation of enrollees; procurement

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panelling, selection, etc.; contract administration (invoices, document approvals, modifications); monitoring visits and onsite center reviews; report preparation and submission (both internal and external, e.g., minority business and banking reports), etc.

Every effort was made to be thorough and avoid "wish list" estimates. The study showed that 208 staff are needed in the regions to handle current workload requirements. In any study of professional functions there is room for variation in estimates; however, the variation cannot be from 208 to 151. Some substantial, legitimate shortfall is clearly indicated.

Both gross assessments and detailed analysis indicate that existing resources are insufficient. The shortfall is evidencing itself in the monitoring/review area as indicated earlier. We don't believe the problem can be fully resolved through further prioritization. Since Job Corps is a directly Federal operated program, there are no Governor or Mayor management and oversight staff who can be asked to supplement our efforts. There are certain "demand" functions which cannot be assigned lower priorities. Regional offices must process applicants, review eligibility and assign enrollees to centers to maintain proper capacity utilization (99.4% in FY 83). Procurements must be conducted in strict compliance with contracting procedures -- short cuts will result in lost protests and turnover of contract awards. Close financial management must be maintained to fully utilize all resources (zero DOL administered dollars lost on September 30, 1983) and avoid cost overruns on contracts. Yet, an increase in monitoring and onsite review activities is clearly needed. Some of the small regional offices, eg. Boston, Kansas City, Denver, and Seattle with a total of 9 staff, don't even have enough professional staff to put together an onsite review team even if almost all other regional office activity is closed down for the duration of the review. Strong direction, high expectations, and demands for performance have been made and cannot be a realistic solution.

Before authorizing the filling of existing ETA vacancies against current ceiling distributions, we ask that you consider at least a temporary (through FY 85) reallocation of ceiling to provide additional staff for Job Corps monitoring. An increase of 0.25 staff per center represents 27 positions and would represent a sound investment. All but 3 or 4 of these would be assigned to regional offices for increased monitoring. This would supplement the efforts of regional office project managers who are currently assigned 3-4 centers each (for all center functions). Pete Rell and I would be happy to discuss this subject at your convenience.

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FY 1980-84 JOB CORPS STAFFING LEVELS

SUMMARY

National Office	FY'80 ON BOARD EOY	FY'81 ON BOARD EOY	FY'82 ON BOARD EOY	FY'83 ON BOARD EOY	FY'84 CEILING	FY'84 ON BOARD SEPT.'84
SES	NA	1	1	1	1	1
GS-15	NA	8	5	6	4	4
GS-14	NA	12	12	9	4	4
GS-13	NA	21	20	20	9	9
GS-12	NA	7	5	5	11	10
GS-11	NA	1	1	1	5	4
GS-7-10	NA	4	4	4	4	4
GS-5-6	NA	10	10	7	7	7
GS-1-4	NA	2	1	1	1	1
TOTAL	66	66	59	54	46	44
Regional Offices						
GS-15	NA	8	11	6	6	6
GS-14	NA	14	10	10	10	9
GS-13	NA	55	42	19	19	19
GS-12	NA	48	33	43	43	41
GS-11	NA	9	9	27	25	22
GS-7-10	NA	16	13	16	12	12
GS-5-6	NA	56	41	36	32	30
GS-1-4	NA	16	2	5	4	3
TOTAL	228	222	161	162	151	142
TOTAL JOB CORPS	294	288	220	216	197	186

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FY 1981-84 JOB CORPS STAFFING LEVELS

REGION I - BOSTON

	FY'81 ON BOARD EOY	FY'82 ON BOARD EOY	FY'83 ON BOARD EOY	FY'84 CEILING	FY'84 ON BOARD EOY
GS-15	0	0	0	0	0
GS-14	1	1	1	1	1
GS-13	2	2	1	1	1
GS-12	3	2	3	3	3
GS-11	0	0	0	1	1
GS-7-10	0	0	1	1	1
GS-5-6	1	1	1	2	2
GS-1-4	1	0	0	0	0
TOTAL	8	6	7	9	9

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FY 1981-84 JOB CORPS STAFFING LEVELS

REGION II - NEW YORK

	FY'81 ON BOARD EOY	FY'82 ON BOARD EOY	FY'83 ON BOARD EOY	FY'84 CEILING	FY'84 ON BOARD EOY
GS-15	1	2	1	1	1
GS-14	2	1	1	1	0
GS-13	3	3	1	1	1
GS-12	3	2	3	5	5
GS-11	0	0	1	0	0
GS-7-10	6	3	3	3	3
GS-5-6	5	3	4	3	2
GS-1-4	2	0	0	0	0
TOTAL	22	14	14	14	12

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FY 1981-84 JOB CORPS STAFFING LEVELS

REGION III - PHILADELPHIA

	FY'81 ON BOARD EOY	FY'82 ON BOARD EOY	FY'83 ON BOARD EOY	FY'84 CEILING	FY'84 ON BOARD EOY
GS-15	1	1	1	1	1
GS-14	2	1	1	1	1
GS-13	8	5	3	2	2
GS-12	7	7	7	6	6
GS-11	3	2	4	4	3
GS-7-10	1	2	1	1	1
GS-5-6	9	6	5	4	4
GS-1-4	0	0	1	0	0
TOTAL	31	22	23	19	18

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FY 1981-84 JOB CORPS STAFFING LEVELS

REGION IV - ATLANTA

	FY'81 ON BOARD EOY	FY'82 ON BOARD EOY	FY'83 ON BOARD EOY	FY'84 CEILING	FY'84 ON BOARD EOY
GS-15	1	2	1	1	1*
GS-14	2	1	1	1	1
GS-13	11	7	4	5	5
GS-12	9	5	6	8	8
GS-11	2	2	4	4	3
GS-7-10	1	1	1	1	1
GS-5-6	11	12	12	8	8
GS-1-4	4	1	1	2	1
TOTAL	41	31	30	30	28

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FY 1981-84 JOB CORPS STAFFING LEVELS

REGION V - CHICAGO

	FY'81 ON BOARD EOY	FY'82 ON BOARD EOY	FY'83 ON BOARD EOY	FY'84 CEILING	FY'84 ON BOARD EOY
GS-15	1	1	1	1	1
GS-14	1	1	1	1	1
GS-13	6	5	3	3	3
GS-12	8	5	3	2	2
GS-11	0	0	4	3	3
GS-7-10	4	3	3	3	3
GS-5-6	6	3	3	2	2
GS-1-4	0	0	0	0	0
TOTAL	26	18	18	15	15

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FY 1981-84 JOB CORPS STAFFING LEVELS

REGION VI - DALLAS

	FY'81 ON BOARD EOY	FY'82 ON BOARD EOY	FY'83 ON BOARD EOY	FY'84 CEILING	FY'84 ON BOARD EOY
GS-15	1	1	1	1	1
GS-14	1	2	1	1	1
GS-13	8	7	2	2	2
GS-12	7	4	7	7	5
GS-11	1	0	4	4	4
GS-7-10	1	2	3	2	2
GS-5-6	7	3	2	4	3
GS-1-4	5	1	1	0	0
TOTAL	31	20	21	21	18

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FY 1981-84 JOB CORPS STAFFING LEVELS

REGION VII - KANSAS CITY

	FY'81 ON BOARD EOY	FY'82 ON BOARD EOY	FY'83 ON BOARD EOY	FY'84 CEILING	FY'84 ON BOARD EOY
GS-15	1	1	0	0	0
GS-14	1	1	1	1	1
GS-13	4	2	1	1	1
GS-12	2	2	3	3	3
GS-11	0	0	1	0	0
GS-7-10	0	0	0	0	0
GS-5-6	5	4	4	4	4
GS-1-4	0	0	0	0	0
TOTAL	13	10	10	9	9

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FY 1981-84 JOB CORPS STAFFING LEVELS

REGION VIII - DENVER

	FY'81 ON BOARD EOY	FY'82 ON BOARD EOY	FY'83 ON BOARD EOY	FY'84 CEILING	FY'84 ON BOARD EOY
GS-15	1	1	0	0	0
GS-14	1	0	1	1	1
GS-13	4	4	0	0	0
GS-12	1	0	4	4	4
GS-11	1	3	2	3	2
GS-7-10	1	1	1	0	0
GS-5-6	2	0	1	1	1
GS-1-4	1	0	0	0	0
TOTAL	12	9	9	9	8

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FY 1981-84 JOB CORPS STAFFING LEVELS

REGION IX - SAN FRANCISCO

	FY'81 ON BOARD EOY	FY'82 ON BOARD EOY	FY'83 ON BOARD EOY	FY'84 CEILING	FY'84 ON BOARD EOY
GS-15	1	1	1	1	1
GS-14	2	1	1	1	1
GS-13	5	4	3	3	3
GS-12	5	3	2	2	2
GS-11	2	3	4	4	4
GS-7-10	1	1	1	1	1
GS-5-6	5	5	2	2	2
GS-1-4	3	0	2	2	2
TOTAL	24	18	16	16	16

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FY 1981-84 JOB CORPS STAFFING LEVELS

REGION X - SEATTLE

	FY'81 ON BOARD EOY	FY'82 ON BOARD EOY	FY'83 ON BOARD EOY	FY'84 CEILING	FY'84 ON BOARD EOY
GS-15	0	1	0	0	0
GS-14	1	1	1	1	1
GS-13	4	3	1	1	1
GS-12	3	3	5	3	3
GS-11	0	0	3	2	2
GS-7-10	1	1	2	0	0
GS-5-6	5	4	2	2	2
GS-1-4	0	0	0	0	0
TOTAL	14	13	14	9	9

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